

10084-D

GRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N.Y. 10005

212 HANOVER 2-3000

TELEX

RCA 233603

WUD 125547

WUI 620876

10560
RECORDATION NO. Filed 1425

JUN 29 1979 - 4 10 PM

INTERSTATE COMMERCE COMMISSION

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CABLE ADDRESSES
GRAVATH, N.Y.
GRAVATH, PARIS
GRAVATH, LONDON E.C.2

9-180A752

JUN 29 1979

Date JUN 29 1979
Fee \$ 60.00

CC Washington, D.C.

June 27, 1979

Indiana Farm Bureau Cooperative Association, Inc.
Lease Financing Dated as of March 15, 1979

Dear Sir:

Pursuant to 49 U.S.C. § 11303(a), I enclose here-
with on behalf of Indiana Farm Bureau Cooperative Association,
Inc., for filing and recordation counterparts of the following
documents:

- (1) Equipment Lease dated as of March 15, 1979,
between The Connecticut Bank and Trust Company, as
Trustee, and Indiana Farm Bureau Cooperative Associa-
tion, Inc., as Lessee;
- (2) Supplemental Indenture dated as of March 15,
1979, between The Connecticut Bank and Trust Company,
as Owner Trustee, and First Security Bank of Utah, N.A.,
as Trustee, to be added to the filings under recordation
number 10084.

The names and addresses of the parties to the
aforementioned agreements are as follows:

Owner Trustee:

THE CONNECTICUT BANK AND TRUST COMPANY
One Constitution Plaza
Hartford, Connecticut 06105

RECEIVED

Counterparts - 4 B. Harrison

Miss M.

10084-D
(Part with
Supplements)

FREE OPERATION BR.

Trustee:

First Security Bank of Utah, N.A.
79 South Main Street
Salt Lake City, Utah 84111

Lessee:

Indiana Farm Bureau Cooperative Association, Inc.
120 East Market Street
Indianapolis, Indiana 46204

The equipment covered by the aforementioned agreements consists of 150 100-ton covered hopper cars, bearing Lessee identifying numbers IFBX 20000-20149, inclusive.

Enclosed is our check for \$60 for the required recordation fee. Please accept one counterpart of each of the enclosed agreements for your files, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to the undersigned.

Very truly yours,



George S. Balis
as Agent for The Pillsbury
Company

Mr. H. G. Homme, Jr.,
Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

64A

FEE OPERATION BR.
I.C.C.

JUN 29 4 02 PM '79

RECEIVED

6/29/79

Interstate Commerce Commission
Washington, D.C. 20423

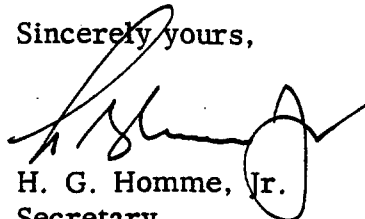
OFFICE OF THE SECRETARY

Mr. George S. Balis
One Chase Manhattan Plaza
New York, New York 10005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/29/79 at 4:10 pm, and assigned recordation number(s). 10560 and 10084-D

Sincerely yours,



H. G. Homme, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)

THE RIGHTS OF THE LESSOR UNDER THIS EQUIPMENT LEASE AND IN ALL EQUIPMENT COVERED HEREBY HAVE BEEN ASSIGNED TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, FIRST SECURITY BANK OF UTAH, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF NOVEMBER 2, 1978, AS AMENDED AND SUPPLEMENTED. THIS EQUIPMENT LEASE HAS BEEN EXECUTED IN COUNTERPARTS.

10560

RECORDATION NO. Filed 1425

JUN 29 1979 -4 10 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of March 15, 1979

between

THE CONNECTICUT BANK AND TRUST COMPANY
not in its individual capacity, but
solely as trustee under a Master
Trust Agreement
dated as of November 2, 1978,
between it and Itel Corporation, Equipment Finance Division,
as Lessor

and

INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.
as Lessee

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EQUIPMENT LEASE

THIS EQUIPMENT LEASE dated as of the date set forth in Exhibit C hereto (the Lease) between THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut Corporation not in its individual capacity, but solely as trustee (the Lessor) under a Master Trust Agreement dated as of November 2, 1978 (the Trust Agreement), between it and IteI Corporation, Equipment Finance Division, and INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC., an Indiana corporation (the Lessee).

W I T N E S S E T H:

SECTION 1. Definitions; Construction of References. In this Lease, unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Lease:

Abatements shall have the meaning set forth in Section 4 hereof.

Appraisal shall mean a procedure whereby two independent appraisers, one chosen by the Lessee and one by the Lessor, shall mutually agree upon the amount in question. The Lessor or the Lessee, as the case may be, shall deliver a written notice to the other party appointing its appraiser within 15 days after receipt from the other party of a written notice appointing that party's appraiser. If within 15 days after appointment of the two appraisers, the two appraisers are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 5 days thereafter by the mutual consent of such first 2 appraisers or, if such first 2 appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by an authorized representative of the American Arbitration Association or any organization successor thereto. The decision of the third appraiser so appointed and chosen shall be given within 10 days after the selection of such third appraiser and, upon receipt of such decision, the amount in question shall be definitively determined by disregarding the decision of the

appraiser which is at greatest variance with the other two appraisals and averaging the respective decisions of the remaining two appraisers. Thereafter the amount as so determined shall be binding and conclusive on the Lessor and the Lessee. The Lessor and the Lessee shall pay the fees and expenses of the respective appraisers appointed by them. The fees and expenses of the third appraiser, if any, shall either (A) be added to the purchase price of the Items of Leased Equipment appraised, if such Items should be purchased by the Lessee, or (B) if such Items should not be purchased by the Lessee, be paid by the Lessee as Supplemental Rent hereunder.

Basic Rent, Supplemental Rent and Rent shall have the meanings set forth in Section 3 hereof.

Beneficiary, Rent Commencement Date, Late Payment Rate, Basic Rent Dates, First Delivery Date, Final Delivery Date, Interim Rent Date, First Basic Rent Date, Last Basic Rent Date, Expiration Date, First Termination Date, Basic Lease Rate Factor, Daily Lease Rate Factor, Lease Extension Periods, Equipment Marking, Period of Storage, Investment Credit Percentage, Depreciable Life, Depreciation Method, and Net Salvage Value shall have the meanings set forth in Exhibit C hereto.

Business Day shall have the meaning set forth in the Participation Agreement.

Casualty Value and Termination Value shall have the meanings with respect to the Equipment set forth in Exhibit D and Exhibit E hereto.

Certificate of Acceptance shall mean a certificate substantially in the form of Exhibit B hereto.

Claims shall have the meaning set forth in Section 12 hereof.

Closing Date shall have the meaning set forth in the Participation Agreement.

Code shall have the meaning set forth in Section 13 hereof.

Default shall mean an event which, after the giving of notice or lapse of time, or both, would mature

into an Event of Default.

Depreciation Deduction, Interest Deduction and Investment Credit shall have the meanings set forth in Section 13 hereof.

Equipment, and individually an Item or Item of Equipment, shall mean the items of equipment described in Exhibit A hereto.

Event of Default shall have the meaning set forth in Section 15 hereof.

Event of Loss shall have the meaning set forth in Section 10 hereof.

Fair Market Rental Value of an Item of Leased Equipment shall be determined on the basis of, and shall mean the amount which would be obtainable in, an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) under no compulsion to lease and an informed and willing lessor under no compulsion to lease, in accordance with a lease on terms and conditions as herein provided. If the Lessor and the Lessee are unable to agree upon a determination of Fair Market Rental Value with respect to an Item of Leased Equipment, such Fair Market Rental Value shall be determined in accordance with the procedure for Appraisal.

Fair Market Value of an Item of Leased Equipment shall be determined on the basis of, and shall mean the amount which would be obtainable in, an arm's-length transaction between an informed and willing buyer or user (other than: (i) a lessee currently in possession, or (ii) a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell, and in such determination costs of removal from the location of current use shall not be a deduction from such value. If the Lessor and the Lessee are unable to agree upon a determination of Fair Market Value with respect to a particular Item of Leased Equipment, such Fair Market Value shall be determined in accordance with the procedure for Appraisal.

Impositions shall have the meaning set forth in Section 7 hereof.

Indenture shall mean the Trust Indenture dated as of November 2, 1978, between First Security Bank of Utah, N.A., a national banking corporation (the Trustee), and the Lessor.

Lessor's Cost shall mean, with respect to any Item of Leased Equipment, the cost thereof set forth in the manufacturer's invoice therefor.

Leased Equipment, and individually an Item of Leased Equipment, shall have the meanings set forth in Section 2 hereof.

Liens and Lessor's Liens shall have the meanings set forth in Section 6 hereof.

Loss shall have the meaning set forth in Section 13 hereof.

Notes shall mean those promissory notes defined as Notes in the Participation Agreement issued in connection with the purchase of the Leased Equipment.

Participation Agreement shall mean the agreement, dated as of the date hereof, among the various parties thereto, including the Lessor, the Trustee, the Beneficiary, the Lessee and each entity named herein as the Interim Lender or the Long-Term Lender.

Person shall mean any individual, partnership, corporation, trust, unincorporated association or joint venture, a government or any department or agency thereof, or any other entity.

Purchase Documents shall mean those documents defined as "Purchase Documents" in the Participation Agreement.

Requisition of Use shall have the meaning set forth in Section 10 hereof.

Supplement shall mean each supplement to the Indenture creating a separate series of Notes for issuance in connection with the purchase of the Leased Equipment.

SECTION 2. Lease of Equipment. Subject to the terms and conditions of this Lease, the Lessor agrees to lease to the Lessee, and the Lessee agrees to lease from the Lessor, such Items of Equipment as the Lessor shall have acquired, or become obligated to pay for, pursuant to the Purchase Documents (Leased Equipment, and individually an Item of Leased Equipment). Subject to the provisions of the Participation Agreement, upon delivery of each Item of Equipment to the Lessor on or after the First Delivery Date, but on or before the Final Delivery Date, the Lessee will either (a) cause an authorized representative of the Lessee to inspect the same and, if such Item is found to be in good order, to accept such Item and to execute and deliver a Certificate of Acceptance with respect thereto, or (b) if the Lessee, acting in good faith, should find that such Item is not in good order, return the same to the manufacturer thereof. Each Item of Leased Equipment delivered to the Lessee in accordance with the Purchase Documents shall be subject to the terms and conditions of this Lease from the date the Lessor shall have acquired, or become obligated to pay for, such Item.

SECTION 3. Term and Rent. (a) The term of this Lease shall begin on the date the first Item of Equipment shall become an Item of Leased Equipment hereunder, and shall end on the Expiration Date, unless this Lease shall have been terminated, or the term of this Lease shall have been extended, by the terms hereof.

(b) The Lessee shall pay to the Lessor as basic rent (herein referred to as Basic Rent) for each Item of Leased Equipment, the following:

(1) on the Interim Rent Date, an amount equal to the Daily Lease Rate Factor, if any, multiplied by the Lessor's Cost of such Item of Leased Equipment, for each day elapsed from, and including, the Rent Commencement Date with respect to such Item of Leased Equipment to, but excluding, the Interim Rent Date; and

(2) on the First Basic Rent Date and on each Basic Rent Date thereafter to and including the Last Basic Rent Date, an amount equal to the Basic Lease Rate Factor multiplied by the Lessor's Cost of such Item of Leased Equipment.

(c) The Lessee shall pay to the Lessor the follow-

ing amounts (herein referred to as Supplemental Rent and, together with all Basic Rent, as Rent):

(1) on demand, any amount payable hereunder (other than Basic Rent, Casualty Value and Termination Value) which the Lessee assumes the obligation to pay, or agrees to pay, under this Lease to the Lessor or others;

(2) on the date provided herein, any amount payable hereunder as Casualty Value or Termination Value; and

(3) on demand, to the extent permitted by applicable law, interest (computed on the basis of a 360-day year of actual days elapsed) at the Late Payment Rate on any payment of Basic Rent, Casualty Value or Termination Value not paid when due for any period during which the same shall be overdue.

(d) Subject to the provisions of the Participation Agreement, all payments of Rent hereunder shall be made so that the Lessor shall have immediately available funds no later than 11:00 A.M. New York City time on the date payable hereunder and shall be paid to the Lessor at its address set forth herein or at such other address or to such other Person as the Lessor may direct by notice in writing to the Lessee.

SECTION 4. Net Lease. This Lease is a net lease, and the Lessee agrees that the Lessee's obligation to pay all Rent hereunder, and the rights of the Lessor in and to such Rent, shall be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment (Abatements) for any reason whatsoever, including, without limitation, Abatements due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise, against the manufacturer of any Item of Leased Equipment, or against any other Person for whatever reason. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of the Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, the Leased Equipment or any Item thereof from whatsoever cause, or the interference with the use thereof by the Lessor or any other Person, or the invalidity or unenforceability or lack of due authorization of this Lease or any failure of the Lessor to perform any obligation of the Lessor to the Lessee or any other Person under this Lease, the Participation Agreement or any instrument or document executed in connection herewith,

or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of the Lessor and the Lessee that all Rent payable by the Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

SECTION 5. Warranty of the Lessor. (a) The Lessor warrants that during the term of this Lease, if no Event of Default has occurred, the Lessee's use of the Leased Equipment shall not be interrupted by the Lessor or anyone claiming solely through or under the Lessor.

(b) The warranty set forth in paragraph (a) of this Section 5 is in lieu of all other warranties of the Lessor, whether written, oral or implied with respect to this Lease or the Leased Equipment, and the Lessor shall not be deemed to have modified in any respect the obligations of the Lessee pursuant to Section 4 hereof, which obligations are absolute and unconditional. THE LESSEE EXPRESSLY AGREES TO LEASE EACH ITEM OF LEASED EQUIPMENT "AS IS." THE LESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND THE LESSOR HEREBY DISCLAIMS, ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE LEASED EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE LEASED EQUIPMENT OR CONFORMITY OF THE LEASED EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL THE LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT OR ABSOLUTE LIABILITY IN TORT), but the Lessor authorizes the Lessee, at the Lessee's expense, to assert for the Lessor's account, during the term of this Lease, so long as no Event of Default shall have occurred hereunder, all of the Lessor's rights under any applicable manufacturer's warranty and the Lessor agrees to cooperate with the Lessee in asserting such rights; provided, however, that the Lessee shall indemnify the Lessor and hold the Lessor harmless from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by the Lessor in connection with, as a result of, or incidental to, any action by the Lessee pursuant to the above authorization. Any amount received by the Lessee as payment under any such warranty shall be applied to restore the Leased Equipment to the condition required by Section 8 hereof.

SECTION 6. Liens. The Lessee will not directly or indirectly create, incur, assume or suffer to exist any mortgage, lien, security interest, charge, claim or other encumbrance (Liens) on or with respect to the Leased Equipment, the Lessor's title thereto or any interest of the Lessor therein (and the Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such Lien), except (a) the respective rights of the Lessor and the Lessee as herein provided, (b) Liens created or granted by the Lessor or resulting from claims against the Lessor not related to the transactions contemplated hereby (Lessor's Liens), (c) Liens for taxes either not yet due or being duly contested by the Lessee in good faith, if counsel for the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor, and (d) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business of the Lessee and not delinquent.

SECTION 7. Taxes. The Lessee agrees to pay and to indemnify and hold harmless the Lessor for all income, franchise, sales, use, personal property, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, or withholdings of any nature, together with any penalties, fines or interest thereon (Impositions), arising out of the transactions contemplated by this Lease or any Supplement and imposed against the Lessor, the Lessee or any Item of Leased Equipment by any Federal, state, local or foreign government or taxing authority upon or with respect to any Item of Leased Equipment or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease (excluding, however, Federal taxes on, or measured solely by, the net income of the Lessor and taxes measured by the net income of the Lessor which are imposed by (i) the State of California or any jurisdiction within California or (ii) any other jurisdiction in which the Lessor is subject to taxes as a result of business or transactions unrelated to this Lease) unless, and only to the extent that, the Lessee shall have given to the Lessor written notice of any such Imposition, stating that such Imposition is being duly contested by the Lessee in good faith and counsel for the Lessor shall have

determined that the nonpayment or contest of payment in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor. If a claim is made against the Lessee or the Lessor for any Imposition, the party receiving notice of such claim shall promptly notify the other. In case any report or return is required to be made with respect to any obligation of the Lessee under, or arising out of, this Section 7, the Lessee will either (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Leased Equipment in the Lessor and send a copy thereof to the Lessor or will notify the Lessor of such requirement and make such report or return in such manner as shall be satisfactory to the Lessor. The Lessor agrees to cooperate fully with the Lessee in the preparation of any such report or return.

SECTION 8. Use, Maintenance and Operation; Equipment Marking. (a) The Lessee agrees that each Item of Leased Equipment will only be used for the transportation of grain and other dry agricultural commodities no more corrosive than grain unless the Lessor and the Trustee shall otherwise consent in writing, which consent will not be unreasonably withheld. The Lessee further agrees that each Item of Leased Equipment will be used, or is intended for use, in connection with interstate commerce, will not be used (except for de minimis use) outside of the continental United States of America without the prior written consent of the Lessor and will be used in compliance with any and all statutes, laws, ordinances and regulations of any governmental agency applicable to the use thereof, and the Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with any Federal, state or other regulatory authority by reason of ownership by the Lessor of the Items of Leased Equipment or the leasing thereof to the Lessee. Throughout the term of this Lease, the possession, use and maintenance of each Item of Leased Equipment shall be at the sole risk and expense of the Lessee.

(b) So long as no Event of Default exists hereunder, the Lessee shall be entitled to the possession and use of each Item of Leased Equipment in accordance with the terms of this Lease. Without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease in all or any of the Leased Equip-

ment except as hereinafter provided in this paragraph; and the Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Leased Equipment, except to the extent hereinafter provided in this paragraph. The Lessee shall be entitled to the use of each Item of Leased Equipment upon lines of railroad owned or operated by it or any affiliate of the Lessee or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which railroad equipment of the Lessee or any such affiliate is operated pursuant to contract or otherwise and shall be entitled to permit the use of the Leased Equipment upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and, without relieving the Lessee of its liability hereunder, to assign its rights to any and all Items of Leased Equipment or to sublease such Items of Leased Equipment, but only upon and subject to all the terms and conditions of this Lease; provided, however, that the Lessee shall not, without the prior written consent of the Lessor, assign, sublease or permit the assignment, sublease or use (except for de minimis use) of any Item of Leased Equipment outside the continental United States of America, nor shall the Lessee assign or sublease to, or permit the sublease or use of any Item of Leased Equipment by, any person in whose hands such Item would not qualify as "Section 38 property" within the meaning of the Code. So long as no Event of Default shall exist hereunder, the Lessee may receive and retain compensation for the use of any of the Items of Leased Equipment from railroads or other entities so using such Items.

Nothing in this Section 8 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease or possession of the Leased Equipment to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition, be in default under any provision of this Lease; and provided further that if the Lessee shall continue in existence after any such corporate change, it shall also continue to remain liable with respect to the obligations of the Lessee hereunder, unless the Owner

Trustee and the Trustee shall otherwise consent in writing, notwithstanding any such assumption by a successor to the Lessee, as aforesaid.

(c) The Lessee agrees to comply in all respects (including without limitation with respect to the use, maintenance and operation of each Item of Leased Equipment) with all laws of the jurisdictions in which its operations involving the Items of Leased Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Items of Leased Equipment, to the extent that such laws and rules affect the title, operation or use of the same, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Item of Leased Equipment, the Lessee will conform therewith at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor under this Lease.

(d) The Lessee agrees that, at its own cost and expense, it will maintain and keep each Item of Leased Equipment (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted, in accordance with the Interchange Rules of the Association of American Railroads and in the same condition as other similar equipment owned or leased by the Lessee. The Lessee, at its own cost and expense, may from time to time make such other additions, modifications and improvements to any Item of Leased Equipment during the term of this Lease as are readily removable without causing material damage to such Items of Leased Equipment (and do not adversely and materially affect the value of such Items of Leased Equipment or affect the originally intended use thereof). The additions, modifications and improvements made by the Lessee under the preceding sentence shall be owned by the Lessee, except to the extent such additions, modifications or improvements are made in order to comply with the next sentence hereof. Any and all parts installed on and additions and replacements made to any Item of Leased Equipment (i) which are not readily removable without causing material

damage to such Item, (ii) the cost of which is included in the Lessor's Cost, (iii) in the course of ordinary maintenance of such Item of Leased Equipment or (iv) which are required for the operation or use of such Unit by the interchange rules of the Association of American Railroads or by the regulations of the Interstate Commerce Commission, the Department of Transportation or any other applicable regulatory body, shall constitute accessions to such Item of Leased Equipment and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the Lessor) shall immediately be vested in the Lessor.

(e) The Lessee agrees, at its own cost and expense, to (1) cause each Item of Leased Equipment to be kept numbered with the identification number therefor as specified in the Certificate of Acceptance therefor, and (2) maintain the Equipment Marking on each Item of Leased Equipment and such other markings as from time to time may be required by law or otherwise deemed necessary by the Lessor in order to protect the title of the Lessor to such Item of Leased Equipment, the rights of the Lessor under this Lease and the Liens granted by the Lessor in financing the Lessor's Cost of the Leased Equipment. The Lessee will not place any Item of Leased Equipment in operation or exercise any control or dominion over the same until such Equipment Marking has been placed thereon. The Lessee will replace promptly any such Equipment Marking which may be removed, defaced or destroyed.

SECTION 9. Inspection and Reports. On or before March 31 in each year, commencing with the calendar year after the First Delivery Date, the Lessee will furnish to the Lessor and the Trustee an accurate statement (a) setting forth as at the preceding December 31 the total number, description and identification numbers of all Items of Leased Equipment then leased hereunder, the total number, description and identification numbers of all Items of Leased Equipment that have suffered an Event of Loss during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending repair (other than running repairs) and setting forth such other information regarding the condition and state of repair thereof as the Lessor or the Trustee may reasonably request, (b) stating that, in the case of all Items of Leased Equipment repainted or repaired during the period covered by such statement, the numbers and markings required by Section 8 hereof have been preserved or replaced and (c) further stating that the Lessee is in compliance under this Lease.

The Lessor and the Trustee shall each have the right (but not the obligation) by its agents to inspect the Items of Leased Equipment and the Lessee's records with respect thereto at such reasonable times as the Lessor or the Trustee may request during the continuance of this Lease.

SECTION 10. Loss or Destruction; Requisition of Use. (a) In the event that any Item of Leased Equipment shall be or become irreparably damaged, worn out, destroyed, lost, stolen, or permanently rendered unfit for use for any reason whatsoever, or title thereto or use thereof shall be requisitioned or otherwise taken by any governmental authority under power of eminent domain or otherwise (any such taking being herein referred to as a Requisition of Use) for a stated period which exceeds the then remaining term of this Lease (any of such occurrences being referred to as an Event of Loss), the Lessee shall promptly notify the Lessor of such Event of Loss. On the Basic Rent Date next following the date of such Event of Loss, the Lessee shall pay to the Lessor the Casualty Value of such Item of Leased Equipment determined as of such Basic Rent Date, together with any Rent then due. If at such time no more Basic Rent is or will become payable under this Lease, the Casualty Value shall be paid within 30 days following the Event of Loss. Upon making such Casualty Value payment in respect of such Item of Leased Equipment and all Rent due and owing with respect thereto, the Lessee's obligation to pay further Basic Rent for such Item of Leased Equipment shall cease, but the Lessee's obligation to pay Supplemental Rent, if any, for such Item of Leased Equipment, shall remain unchanged. Except in the case of loss, theft or destruction, the Lessor shall be entitled to recover possession of such Item. The Lessor shall be under no duty to the Lessee to pursue any claim against any governmental authority, but the Lessee may at its own cost and expense pursue the same on behalf of the Lessor in such manner as may be satisfactory to the Lessor.

(b) Following payment of the Casualty Value of an Item of Leased Equipment in accordance with the provisions of paragraph (a) of this Section 10, the Lessee, if possible, shall, as agent for the Lessor, dispose of such Item as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an as is, where is basis without recourse, representation or warranty, express or implied. As to each separate Item of Leased Equipment so disposed of, the Lessee may, after paying the Lessor the amounts specified in paragraph (a) of this Section 10, retain all amounts of such price up to the Casualty Value thereof and the Lessee's

reasonable costs and expenses of disposition attributable thereto, and shall remit the excess, if any, to the Lessor. With respect to a Requisition of Use of any Item of Leased Equipment for a stated period which exceeds the then remaining term of this Lease, the Lessor agrees that the Lessee shall receive and retain all amounts paid by any governmental authority up to the Casualty Value paid by the Lessee to the Lessor hereunder, and any excess shall be paid over and retained by the Lessor.

(c) Except as provided in this Section 10, the Lessee shall bear the risk of loss and shall not be released from its obligations hereunder in the event of any damage to any Item of Leased Equipment or any Event of Loss relating thereto.

(d) In the case of a Requisition of Use of any Item of Leased Equipment for an indefinite period or for a stated period which does not exceed the then remaining term of this Lease, such Requisition of Use shall not terminate this Lease with respect to such Item and each and every obligation of the Lessee with respect thereto shall remain in full force and effect. So long as no Event of Default shall have occurred and be continuing under this Lease, the Lessee shall be entitled to all sums, attributable to the period such Item is subject to this Lease, received by reason of any such Requisition of Use referred to in the preceding sentence, up to the amount of the Basic Rent paid by the Lessee during the period of such Requisition of Use, and the Lessor shall be entitled to all amounts in excess of the Basic Rent.

SECTION 11. Insurance. At its own expense, the Lessee will cause to be carried and maintained casualty insurance with respect to each Item of Leased Equipment and public liability insurance, in each case in amounts and against risks customarily insured against by the Lessee on similar equipment owned by it or, if the Lessee shall have no such similar equipment, in amounts and against risks comparable to those insured against by railroad companies on similar equipment; provided, however, that the amounts and risk coverage of public liability insurance shall be satisfactory to the Lessor and the Trustee, shall name the Lessor, the Lessee, and the Trustee as assureds and loss payees, as their interests may appear, and shall provide for at least ten days' prior written notice by the insurance carrier to the Lessor and the Trustee in the event of cancelation or expiration.

SECTION 12. Indemnification. The Lessee agrees to assume liability for, and does hereby agree to indemnify and save harmless the Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability in tort), actions, costs and expenses (including, without limitation, legal fees and expenses) of any kind and nature whatsoever (Claims) which may be imposed on, incurred by or asserted against the Lessor, to the extent the Lessor shall not have actually received compensation for such Claims from others, in any way relating to or arising out of this Lease or any document contemplated hereby, including, without limitation, the Indenture to the extent attributable to any Supplement, or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, sale, return, storage or disposition of any Item of Leased Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable and any Claim for patent or trademark infringement); provided, however, that the Lessee shall not be required to indemnify the Lessor for (a) any Claim in respect of any Item of Leased Equipment arising from acts or events which occur after possession of such Item of Leased Equipment has been redelivered to the Lessor in accordance with Section 17 hereof, or (b) any Claim resulting from acts which would constitute the wilful misconduct or gross negligence of the Lessor. To the extent that the Lessor in fact receives indemnification payments from the Lessee under the indemnification provisions of this Section 12, the Lessee shall be subrogated, to the extent of such indemnity paid, to the Lessor's rights with respect to the transaction or event requiring or giving rise to such indemnity; provided, however, that the Lessee shall not enforce any such rights by legal proceedings without the Lessor's approval, which approval shall not be unreasonably withheld. THE LESSEE AGREES THAT THE LESSOR SHALL NOT BE LIABLE TO THE LESSEE FOR ANY CLAIM CAUSED DIRECTLY OR INDIRECTLY BY THE INADEQUACY OF ANY ITEM OF LEASED EQUIPMENT FOR ANY PURPOSE OR ANY DEFICIENCY OR DEFECT THEREIN OR THE USE OR MAINTENANCE THEREOF OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO OR ANY DELAY IN PROVIDING OR FAILURE TO PROVIDE ANY THEREOF OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF OR ANY LOSS OF BUSINESS, ALL OF WHICH SHALL BE THE RISK AND RESPONSIBILITY OF THE LESSEE.

SECTION 13. Tax Indemnification. (a) This Lease has been entered into on the basis that the Lessor

shall be entitled to such deductions, credits and other benefits as are provided to an owner of property including, without limitation:

(1) unless otherwise provided in Exhibit C hereto, the investment tax credit (the Investment Credit) allowed by section 38 and related sections of the Internal Revenue Code of 1954, as amended to the date hereof (the Code), in an amount equal to the Investment Credit Percentage of Lessor's Cost of each Item of Leased Equipment set forth in Exhibit C hereto;

(2) the deduction for accelerated depreciation (the Depreciation Deduction) on each Item of Leased Equipment under various sections of the Code based upon the Depreciable Life, Depreciation Method, and Net Salvage Value set forth in Exhibit C hereto; and

(3) the deduction under section 163 of the Code (the Interest Deduction) in the full amount of any interest paid or accrued by the Lessor in accordance with the Lessor's method of accounting for tax purposes with respect to any indebtedness incurred by the Lessor in financing its purchase of each Item of Leased Equipment.

(b) This Lease has also been entered into on the basis of, among other things, the following assumptions (the Assumptions): (i) at the time the Lessor becomes the owner of each Item of Leased Equipment, such Item will constitute "new section 38 property" within the meaning of sections 46 and 48 of the Code and at the time the Lessor becomes the owner of such Item, such Item of Leased Equipment will not have been used by any Person so as to preclude "the original use of such property" within the meaning of sections 48(b) and 167(c)(2) of the Code from commencing with the Lessor; (ii) each Item of Leased Equipment is an asset described in the Asset Guideline Class set forth under the heading Depreciable Life in Exhibit C hereto; (iii) the Lessee will not at any time during the term of this Lease use or fail to use any Item of Leased Equipment in such a way as to disqualify it as "section 38 property" within the meaning of section 48(a) of the Code; (iv) for federal income tax purposes, all amounts includible in the gross income of the Lessor with respect to each Item of Leased Equipment and all deductions allowable to the Lessor with respect to each Item of the Leased Equipment will be treated as derived from, or allocable to, sources within the United States; (v) the Lessee will maintain sufficient records to verify such use, which records will be furnished to the Lessor within 30 days after receipt of a written demand therefor; and (vi) an amount equal to at least

20% of the Lessor's Cost of each Item of Leased Equipment is a reasonable estimate of what the Fair Market Value of such Item will be on the Expiration Date with respect thereto, without including in such value any increase or decrease for inflation or deflation and after subtracting from such value any cost to the Lessor for removal and delivery of possession of such Item to the Lessor, and at least 20% of the originally estimated useful life of such Item of Leased Equipment is a reasonable estimate of what the remaining useful life of such Item will be on the Expiration Date with respect thereto.

(c) If, by reason of (1) the inaccuracy in law or in fact of any of the Assumptions set forth in paragraph (b) of this Section, (2) the inaccuracy of any statement in any letter or document furnished to the Lessor by or on behalf of the Lessee in connection with the financing contemplated by this Lease, or (3) the act, failure to act or omission of or by the Lessee, the Lessor shall lose, shall not have or shall lose the right to claim, or if there shall be disallowed or recaptured with respect to the Lessor, all or any portion of the Investment Credit, the Interest Deduction or the Depreciation Deduction as is provided to an owner of property with respect to an Item of Leased Equipment (Loss), then the Basic Lease Rate Factor applicable to such Item of Leased Equipment shall, on and after the next succeeding Basic Rent Date, upon written notice to the Lessee by the Lessor that a Loss has occurred, be increased by such amount for such Item which, in the reasonable opinion of the Lessor, will cause the Lessor's net return over the term of this Lease in respect of such Item to equal the net return that would have been available if the Lessor had been entitled to the utilization of all of the Investment Credit, the Interest Deduction or the Depreciation Deduction with respect to such Item. If such Loss occurs after the Last Basic Rent Date, the Lessor shall notify the Lessee in writing of such Loss and the Lessee shall, within 30 days after such notice, pay to the Lessor such sum as will, in the reasonable opinion of the Lessor, cause the Lessor's net return over the term of this Lease in respect of such Item to equal the net return that would have been available if the Lessor had been entitled to the utilization of all of the Investment Credit, the Interest Deduction and the Depreciation Deduction with respect to such Item. The Lessee shall forthwith pay to the Lessor the amount of any interest which may be assessed by the United States or any state against the Lessor attributable to the Loss.

(d) For purposes of this Section, a Loss shall occur upon the earliest of (1) the happening of any event (such as a disposition or change in the use of any Item of Leased Equipment) which may cause such Loss, (2) the payment by the Lessor to the Internal Revenue Service of the tax increase resulting from such Loss, or (3) the adjustment of the tax return of the Lessor to reflect such Loss. With respect to any Item of Leased Equipment, the Lessor shall be responsible for, and shall not be entitled to a payment under this Section on account of, any Loss due to any event which by the terms of this Lease requires payment by the Lessee of the Casualty Value or Termination Value of such Item, if such Casualty Value or Termination Value is thereafter actually paid by the Lessee, to the extent that such payment reimburses the Lessor for amounts otherwise payable by the Lessee pursuant to this Section.

(e) All of the Lessor's rights arising from the indemnities contained in this Section shall survive the expiration or other termination of this Lease with respect to any or all Items of Leased Equipment and such indemnities are expressly made for the benefit of, and shall be enforceable by the Lessor, its successors and assigns.

SECTION 14. Lease Extension. (a) Provided that this Lease has not been terminated and no Default or Event of Default has occurred and is continuing hereunder, the Lessee shall have the option to extend the term of this Lease with respect to the Equipment at the Expiration Date or at the end of any subsequent Lease Extension Period with respect to the Equipment for such Lease Extension Periods as are provided for in Exhibit C hereto for a rental equal to the Fair Market Rental Value thereof, determined as of such Expiration Date, or the last day of the previous Lease Extension Period, as appropriate.

(b) Not less than 210 days prior to the Expiration Date, or the last day of any Lease Extension Period, the Lessee may indicate, by written notice to the Lessor, the Lessee's interest in exercising the Lessee's lease extension option described above, which notice shall set forth the Lessee's estimate of the Fair Market Rental Value of such Group of Equipment as of such Expiration Date or last day. If, on or before a date 180 days prior to such Expiration Date or last day, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental Value of such Group of Equipment, such Fair Market Rental Value shall

be determined in accordance with the procedure for Appraisal. After a determination of the Fair Market Rental Value of the Equipment has been made in accordance with the procedure described above, the Lessee may exercise its option to extend the term of this Lease with respect to the Equipment for the Fair Market Rental Value thereof by delivering written notice of such exercise to the Lessor not less than 120 days prior to the Expiration Date or the last day of any Lease Extension Period, as appropriate, with respect to the Equipment.

SECTION 15. Events of Default. The term Event of Default, wherever used herein, shall mean any of the following events under this Lease:

(a) the Lessee shall fail to make any payment of Rent within 15 days after payment thereof shall be due; or

(b) the Lessee shall have failed to comply with its obligations under Section 11 hereof; or

(c) the Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Lease, the Participation Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith or therewith, and such failure shall continue for 30 days after written notice thereof from the Lessor to the Lessee; or

(d) any representation or warranty made by the Lessee in this Lease, the Participation Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith or therewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(e) a petition in bankruptcy or for reorganization or arrangement shall be filed by the Lessee; or the Lessee shall make an assignment for the benefit of creditors or consent to the appointment of a trustee, custodian or a receiver, or a trustee, custodian or a receiver shall be appointed for the Lessee, for any Item of Leased Equipment or for a substantial part of the Lessee's property without its consent and any such trustee, custodian or receiver shall not be dismissed within a period of 60 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted

against the Lessee and shall not be dismissed within a period of 60 days; or

(f) The Lessee shall be in default under any material obligation for the payment of borrowed money outstanding in an amount of two million dollars or more or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering, material real or personal property of a value in excess of two million dollars, and the applicable grace period with respect thereto shall have expired and the obligations shall not be duly contested in good faith.

SECTION 16. Remedies. (a) Upon the occurrence of any Event of Default and so long as the same shall be continuing, the Lessor may, at its option, declare this Lease to be in default by written notice to such effect given to the Lessee, and at any time thereafter, the Lessor may exercise one or more of the following remedies, as the Lessor in its sole discretion shall lawfully elect:

(1) proceed by appropriate court action, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof;

(2) by notice in writing terminate this Lease, whereupon all rights of the Lessee to the use of the Leased Equipment shall absolutely cease and terminate but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessee, if so requested by the Lessor, shall at its expense promptly return the Leased Equipment to the possession of the Lessor at such place as the Lessor shall designate and in the condition required upon the return thereof pursuant to and in accordance with the terms hereof, or the Lessor, at its option, may, subject to compliance with all mandatory requirements of law, enter upon the premises where the Leased Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise. The Lessee shall, without further demand, forthwith pay to the Lessor an amount equal to any unpaid Rent due and payable for all periods up to and including the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default, plus, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the

Casualty Value of the Leased Equipment then subject to this Lease, computed as of the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default. Following the return of the Leased Equipment to the Lessor pursuant to this paragraph (2) the Lessor shall proceed to sell the Leased Equipment in such commercially reasonable manner as it shall deem appropriate. The proceeds of such sale shall be applied by the Lessor (A) first, to pay all costs, charges, and expenses, including reasonable legal fees and disbursements, incurred by the Lessor as a result of the default and the exercise of its remedies with respect thereto, (B) second, to pay to the Lessor an amount equal to any unpaid Rent due and payable and the Casualty Value, to the extent not previously paid, and (C) third, to reimburse the Lessee for the Casualty Value to the extent previously paid by the Lessee as liquidated damages. Any surplus remaining thereafter shall be retained by the Lessor. To the extent that all Basic Rent then due and payable with respect to the Leased Equipment and the Casualty Value in respect of such Leased Equipment have not been previously paid, the Lessee shall forthwith pay to the Lessor the sum of (i) the amount by which (X) the sum of (a) all Basic Rent then due and payable with respect to the Leased Equipment, (b) the Casualty Value or portion thereof not theretofore paid, and (c) the amount payable under clause (A) of the preceding sentence, exceeds (Y) the sale price of the Leased Equipment, and (ii) interest at the Late Payment Rate on the full amount of the Casualty Value, computed from the date the Casualty Value is payable hereunder until such Casualty Value is paid by the Lessee.

(b) The Lessee shall be liable for all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto.

(c) No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Lessor at law or in equity. No express or implied waiver by the Lessor of any Default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Default or Event of Default. The

failure or delay of the Lessor in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies and any single or partial exercise of any particular right by the Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

SECTION 17. Return of Leased Equipment. If this Lease shall terminate pursuant to Section 16 hereof or the terms of this Lease shall otherwise expire in accordance with the terms hereof in respect of any Item of Leased Equipment, the Lessee shall forthwith deliver possession of such Item of Leased Equipment to the Lessor. Each Item of Leased Equipment so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, and shall have attached or affixed thereto any addition, modification or improvement considered an accession thereto as provided in Section 8 and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in Section 8, is owned by the Lessee or, if the same is not so removed, it shall be deemed to be an accession. For the purpose of delivering possession of any Item of Leased Equipment as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any such Item of Leased Equipment has been interchanged or which may have possession thereof to return such Item of Leased Equipment) and at the usual speed, place such Item of Leased Equipment upon the storage tracks of the Lessee or other storage tracks selected by the Lessee; and

(b) cause such Item of Leased Equipment to be stored on such tracks at the risk of the Lessee without charge for insurance, rent or storage (i) until such Item of Leased Equipment has been sold, leased or otherwise disposed of by the Lessor if such termination occurs pursuant to Section 16 hereof or (ii) if the terms of the Lease shall have otherwise expired in accordance with the terms hereof, until the Period of Storage shall expire; and

(c) cause at any time during the Period of Storage any Item of Leased Equipment to be transported pursuant to the Lessor's instructions and at the Lessee's expense to any reasonable place on tracks not more than 500 miles from Indianapolis, Indiana.

(d) The assembling, delivery, storage and insurance of the Items of Leased Equipment as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver and store the Items of Leased Equipment. During the Period of Storage, the Lessee will, at its own cost and expense if the Lease has been terminated pursuant to Section 16 hereof or, if the term of this Lease shall have otherwise expired, upon the request of the Lessor and at the Lessor's expense, maintain and keep the Items of Leased Equipment in good order and repair and will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Items of Leased Equipment to inspect the same. All amounts earned in respect of the Items of Leased Equipment after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Item of Leased Equipment is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the Basic Rent as set forth in Section 3(b)(2) hereof payable on a Basic Rent Date for such Items of Leased Equipment divided by 30 exceeds the actual earnings received by the lessor for such Item of Leased Equipment for each such day.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 17, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Item of Leased Equipment to the Lessor, to demand and take possession of such Item of Leased Equipment in the name

and on behalf of the Lessee from whomsoever shall be in possession of such Item of Leased Equipment at the time.

SECTION 18. Right of First Refusal. (a) Provided that no Default or Event of Default shall have occurred and be continuing hereunder, the Lessor agrees that if it proposes to sell the Equipment as an entirety following the expiration of the term of this Lease or any extension thereof, it shall, not earlier than 120 days prior to such expiration and not later than 120 days after such expiration, give notice in writing to such effect to the Lessee. Within 30 days of receipt of such notice, the Lessee may give written notice to the Lessor that it wishes to buy the Equipment at its Fair Market Value and, if such notice shall be given, the lessor shall sell the Equipment to the lessee at or after such expiration for its Fair Market Value. If the aforesaid notice shall not be given by the Lessee within the 30-day time period referred to in the previous sentence, the Lessor shall not have any further obligation to give the Lessee any right, option or notice with respect to the purchase of the Equipment.

(b) In the event the Lessee exercises any right to purchase the Leased Equipment, then, upon payment of the purchase price, the Lessor shall, upon request of the Lessee, execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such Leased Equipment is free and clear of all Liens by or in favor of any Person claiming by, through or under the Lessor) for such Leased Equipment, and such other documents as may be required to release such Leased Equipment from the terms and scope of this Lease and to transfer title thereto to the Lessee or such assignee or nominee, in such form as may reasonably be requested by the Lessee, all at the Lessee's expense.

SECTION 19. Voluntary Termination. (a) The Lessee shall have the right, at any time on or after the First Termination Date, on at least 180 days' prior written notice to the Lessor, to terminate this Lease with respect to all, but not less than all, Items of Leased Equipment subject to this Lease, such termination to be effective on the Basic Rent Date next following the expiration of the 180-day notice period (the Termination Date); provided, however, that no Default or Event of Default shall have occurred and be continuing hereunder and that such Items shall have become obsolete or surplus to the Lessee's needs. During the period

from the giving of such notice until the Termination Date, the Lessor may, and the Lessee, as agent for the Lessor, shall, use their best efforts to obtain bids for the purchase of such Items of Leased Equipment. The Lessee shall certify to the Lessor in writing the amount of each bid received by the Lessee and the name and address of the party submitting such bid. The Lessee may utilize agents for purposes of fulfilling its obligations set forth in this Section. On the Termination Date, the Lessor shall sell such Items of Leased Equipment, without recourse or warranty, for cash to whosoever, except the Lessee or any Affiliate, as defined in the Indenture, of the Lessee, shall have submitted the highest bid prior to such date and shall transfer to such purchaser all the Lessor's right, title and interest in and to such Items, and thereupon the Lessee shall deliver such Items of Leased Equipment so sold to the Lessor in accordance with the terms of Section 17 of this Lease. The Lessor shall certify in writing to the Lessee (i) the amount of such total sale price, (ii) the expenses incurred by the Lessor in connection with such sale, and (iii) that such total sale price represents the highest bid received by the Lessor for the purchase of such Items. The total sale price realized at such sale shall be retained by the Lessor, and, in addition, on the Termination Date, the Lessee shall pay to the Lessor the Basic Rent payment payable on such date and the amount, if any, by which (A) the Termination Value of such Items, computed as of the Termination Date, exceeds (B) the proceeds of such sale less all expenses incurred by the Lessor in selling such Items. In the event no such sale takes place, the Lessee shall pay to the Lessor the Termination Value of such Items, computed as of the Termination Date, plus any expenses incurred by the Lessor in connection herewith and the Basic Rent payment then due. Upon payment of all amounts required to be paid by the Lessee pursuant to this paragraph (a), the obligation of the Lessee for all Basic Rent accruing hereunder with respect to such Items due and payable after, but not on or before, the Termination Date shall cease.

(b) Notwithstanding the foregoing, upon receipt of all bona fide bids for the purchase of such Items, the Lessor may, with the prior written consent of the Trustee, elect not to sell such Items to the highest bidder on the Termination Date, in which case the Lessee shall deliver such Items to the Lessor in accordance with the terms of Section 5 of this Lease. In addition, on the Termination Date, the Lessee shall pay to the Lessor the Basic Rent due on such Termination Date and the amount, if any, by which the Termination Value of such Items plus the amount of any expenses incurred

by the Lessor directly or indirectly in connection therewith exceeds such highest bid. Upon such redelivery and the payment of such amount, if any, the obligation of the Lessee to pay all Basic Rent accruing under this Lease with respect to such Items due and payable after, but not on or before, the Termination Date shall cease.

(c) Notwithstanding the foregoing, provided that no Default or Event of Default shall have occurred and be continuing hereunder, and provided further that the Lessor has not notified the Lessee in writing of the Lessor's election under paragraph (b) above, upon written notification given to the Lessor not less than 30 days prior to the Termination Date, the Lessee may elect to rescind the Lessee's notice of termination, in which case this Lease shall not terminate as set forth in this Section, but shall continue in full force and effect as though no such notice of termination had been given by the Lessee.

SECTION 20. Notices. All communications and notices provided for herein shall be in writing and shall become effective when deposited in the United States mail, with proper postage for first-class mail, prepaid, addressed (a) if to the Lessor, at One Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department, (with copies to (1) Itel Corporation, Equipment Finance Division, at One Embarcadero Center, San Francisco, California 94111, Attention: Contract Administration, (2) the Trustee, at 79, South Main Street, Salt Lake City Utah 84111, Attention: Trust Division, Corporate Trust Department (3) the Beneficiary, at its address set forth in Exhibit C hereto), and (b) if to the Lessee, at its address set forth on the signature page hereof.

SECTION 21. Successors, Assigns and Indemnified Parties. This Lease, including all agreements, covenants, representations and warranties, shall be binding upon and inure to the benefit of, and may be enforced by, (1) the Lessor and its successors, assigns, agents, servants and personal representatives, and, where the context so requires, (i) each Beneficiary and its successors and assigns, and any holder of the obligations of the Lessor issued in connection with this Lease, (2) the Trustee, as assignee and secured party, (3) the successors, assigns, agents and personal representatives of the Trustee, as assignee and secured party, and (4) the Lessee and its successors and, to the extent permitted hereby, assigns. With respect to the

provisions of Sections 5, 7 and 12 hereof, each Beneficiary, the Related Trust Estate, as such term is defined in the Trust Agreement, the Trustee, as assignee and secured party, the Lessor in both its individual and fiduciary capacity, any holder of obligations of the Lessor issued in connection with the purchase or acquisition of the Leased Equipment, and the successors, assigns, agents and personal representatives of the foregoing shall each be indemnified thereunder and, with respect to clause (b) of the proviso to Section 12 hereof, the wilful misconduct or gross negligence of the Lessor or any one such person shall not affect the rights of any other person indemnified under such Section 12. With respect to the provisions of Section 13 hereof, the "Lessor," as used therein, shall mean the Beneficiary and the consolidated taxpayer group of which the Beneficiary is a member, and the Beneficiary (and such group) are hereby made third party beneficiaries for purposes of the provisions thereof.

SECTION 22. Amendments and Miscellaneous. (a) The terms of this Lease shall not be waived, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; provided, however, that no such waiver, amendment or supplement shall make any change, and no termination shall be made, which is prohibited by the Indenture or any Supplement without the consent of the Trustee.

(b) All agreements, indemnities, representations and warranties contained in this Lease, the Participation Agreement or any agreement, document or certificate delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease.

(c) Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(d) This Lease shall constitute an agreement of

lease and nothing herein shall be construed as conveying to the Lessee any right, title or interest in or to the Leased Equipment, except as Lessee only.

(e) This Lease may be executed in any number of counterparts and by the different parties hereto on separate counterparts. This Lease, the Indenture and the Supplements shall be filed with the Interstate Commerce Commission in accordance with the applicable provisions of 49 U.S.C. Section 11303 prior to the delivery and acceptance hereunder of any Item of Leased Equipment.

(f) This Lease shall be governed by, and construed in accordance with, the laws of the state indicated in the address of the Lessee as set forth after its signature herein.

(g) Although this Lease is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth under the signatures hereto, and this Lease shall be effective on the latest of such dates.

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

THE CONNECTICUT BANK AND TRUST COMPANY, not in its individual capacity, but solely as trustee under a Master Trust Agreement dated as of November 2, 1978, between it and Itel Corporation, Equipment Finance Division, as Lessor,

by 

Authorized Officer

Date JUN 28 1979


STATE OF CONNECTICUT,)

) ss.:

COUNTY OF HARTFORD,)

On this 28th day of June 1979, before me personally appeared Donald E. Smith, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was a free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand.


Notary Public

[Notarial Seal]

My Commission expires

BARBARA S. KACICH
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1982

INDIANA FARM BUREAU COOPERATIVE
ASSOCIATION, INC.,
as Lessee,

by _____

Date _____

EXHIBIT A
to Lease

DESCRIPTION OF EQUIPMENT

<u>Quantity</u>	<u>Manufacturer</u>	<u>Description and AAR Mechanical Designation</u>	<u>Lessee's Identification Numbers</u>	<u>Estimated Lessor's Cost Per Item</u>
150	Richmond Tank Car Company	100-ton, 4750 cubic foot cap- acity, covered hopper cars pursuant to man- ufacturer's spe- cifications No. 2973-CH dated October 12, 1978, as amended by Mr. Peter Brandt's letter of October 31, 1978, to Mr. Forrest Qualls	IFBX 20000 through and including 20149	\$38,300

EXHIBIT B
to Lease

CERTIFICATE OF ACCEPTANCE NO. ____

under

EQUIPMENT LEASE dated as of March 15, 1979 (the Lease), between THE CONNECTICUT BANK AND TRUST COMPANY, as lessor, not in its individual capacity, but solely as trustee (the Lessor) under a Master Trust Agreement dated as of November 2, 1978, between it and Itel Corporation, Equipment Finance Division, and Indiana Farm Bureau Cooperative Association, Inc., as lessee (the Lessee).

1. Items of Equipment. The Lessee hereby certifies that the Items of Equipment set forth and described in Schedule 1 hereto (which Schedule includes the amount of the Lessor's Cost of each such Item), constituting Items of Leased Equipment, have been delivered to and inspected by the Lessee, found to be in good order and accepted as Items of Leased Equipment under the Lease, all on the Date(s) of Acceptance set forth on Schedule 1 hereto.

2. Representations by the Lessee. The Lessee hereby represents and warrants to the Lessor, the Beneficiary, the Trustee, the Long-Term Lender and the Interim Lender, as such terms are defined in the Lease and the Participation Agreement, that on the Date(s) of Acceptance set forth on Schedule 1 hereto:

(1) The representations and warranties of the Lessee set forth in the Participation Agreement are true and correct in all material respects as though made on and as of each such Date(s) of Acceptance.

(2) The Lessee has satisfied or complied with all requirements set forth in the Participation Agreement, in any certificate of the Lessee and in the Lease to be satisfied or complied with on or prior to the Date(s) of Acceptance.

(3) No Default or Event of Default under the Lease

has occurred and is continuing on the Date(s) of Acceptance.

INDIANA FARM BUREAU COOPERATIVE
ASSOCIATION, INC.,
as Lessee,

by _____

Accepted on the Date(s) of Acceptance
set forth on Schedule 1 hereto on
behalf of the Lessor: THE CONNECTICUT
BANK AND TRUST COMPANY not in its indi-
vidual capacity, but solely as trustee
under a Master Trust Agreement dated
as of November 2, 1978, between it and
Itel Corporation, Equipment Finance
Division,
as Lessor,

by: INDIANA FARM BUREAU COOPERATIVE
ASSOCIATION, INC.,
as Authorized Representative,

by _____

SCHEDULE 1 TO

CERTIFICATE OF ACCEPTANCE NO. _____

Description of Equipment and Lessor's Cost:

<u>Quantity</u>	<u>Manufacturer</u>	<u>Description</u>	<u>Lessee's Identification Number</u>	<u>New</u>	<u>Lessor's Cost</u>	<u>Date(s) of Acceptance</u>
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Total \$ _____

EXHIBIT C
to Lease

(20-year Basic Lease Term)

<u>Date of Lease:</u>	March 15, 1979.
<u>Beneficiary:</u>	Wells Fargo Transport Leasing Corporation.
<u>Rent Commencement Date:</u>	The date of acceptance as evidenced by the Certificate of Acceptance with respect to each Item of Leased Equipment
<u>Late Payment Rate:</u>	A rate per annum equal to 2% over the Long-Term Debt Rate, as such term is defined in the Participation Agreement, but in no event at a rate per annum greater than that permitted by applicable law
<u>Basic Rent Dates:</u>	November 15, 1979 and the 15th day of each succeeding month during the term of the Lease (unless any such day is not a Business Day in which case it shall be the next succeeding Business Day).
<u>First Delivery Date:</u>	June 28, 1979.
<u>Final Delivery Date:</u>	October 15, 1979.
<u>Interim Rent Date:</u>	October 15, 1979.
<u>First Basic Rent Date:</u>	November 15, 1979.
<u>Last Basic Rent Date:</u>	October 15, 1999.
<u>Expiration Date:</u>	October 15, 1999.
<u>Basic Lease Rate Factor:*</u>	.7055%
<u>First Termination Date:</u>	October 15, 1989.

Daily Lease Rate Factor:*

.023517%; provided, however, that if the Rent payable on the Interim Rent Date with respect to all Items of Equipment shall be less than the aggregate of the interest payable by the Lessor to the Interim Lender on the Notes and the interest payable by the Beneficiary to Lease Investments Trust on the Promissory Note issued pursuant to that certain Letter Agreement dated as of March 15, 1979, between the Beneficiary and Lease Investments Trust, the Daily Lease Rate Factor shall be increased to the extent necessary to cause such Rent to equal the aggregate of such interest.

Lease Extension Periods:

2 periods of five years each.

Equipment Marking:

Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission.

* In the event that on any Closing Date the Interim Lender does not make a Loan, or in the event that on any Take-Out Date the Long-Term Lender shall not purchase from the Interim Lender the unpaid principal amount of the Notes issued and outstanding on the Take-Out Date, the Lessor shall, as applicable, pay the manufacturer of the Items of Leased Equipment the total amount of the Lessor's Cost or purchase from the Interim Lender the unpaid principal amount of the Notes issued and outstanding on the Take-Out Date. In such case the Daily Lease Rate Factor shall be .026853% (subject to the same proviso set forth above opposite such term), the Basic Lease Rate Factor shall be .8056%, the Casualty and Termination Values shall be as set forth in Exhibit E to the Lease.

Period of Storage:

120 days after the expiration of the Lease term or, in the event the Lease is extended, 120 days after the expiration of the last extension period.

Investment Credit Percentage: 10%.

Depreciable Life:

A 12-year depreciable life pursuant to Section 167(m) of the Code for an asset described in Asset Guideline Class No. 00.25.

Depreciation Method:

A double-declining balance method switching to the sum-of-the-years-digits method when most beneficial to the Beneficiary and without the prior consent of the Commissioner of Internal Revenue utilizing either the "modified half-year" or "half-year" convention pursuant to Reg. Section 1.167(a)-11(c)(2) and taking into account the Net Salvage Value of the Leased Equipment.

Net Salvage Value:

An amount equal to 0% of the Lessor's Cost of the Leased Equipment, which amount will be reduced by 10% of the Lessor's Cost as provided in section 167(m) of the Code.

EXHIBIT D
to Lease

The Casualty Value of each Item of Leased Equipment shall be the percentage of Lessor's Cost of such Item set forth opposite the applicable rent payment:

Interim Rent Date and Basic Rent Payment Number	Casualty Value		Termination Value	
	(a)	(b)	(a)	(b)
On or Before the Interim Rent Date	86.5102%		--	
1	87.2342		--	
2	87.5083		--	
3	87.7481		--	
4	88.0542		--	
5	88.3794		--	
6	88.6942		--	
7	88.9780		--	
8	89.2633		--	
9	89.4519		--	
10	89.6414		--	
11	89.8318		--	
12	89.9905		--	
13	90.1499		--	
14	90.3100		--	
15	90.4381		--	
16	90.5668		--	
17	90.6959		--	
18	90.8409		--	
19	90.9614		--	
20	91.0823		--	
21	91.1938		--	
22	91.3058		--	
23	91.4181		--	
24	91.5058		--	
25	91.5936		--	
26	91.6818		--	
27	91.7450		--	
28	91.8083		--	
29	91.8717		--	
30	91.9429		--	

Interim Rent Date and <u>Basic Rent Payment Number</u>	Casualty Value <u>(a) (b)</u>	Termination Value <u>(a) (b)</u>
31	91.9930	--
32	92.0430	--
33	92.0795	--
34	92.1159	--
35	92.1521	--
36	92.1670	--
37	92.1816	--
38	92.1960	--
39	92.1888	--
40	92.1812	--
41	92.1732	--
42	92.1699	--
43	92.1475	--
44	92.1246	--
45	92.0875	--
46	92.0499	--
47	92.0116	--
48	91.9539	--
49	91.8955	--
50	91.8363	--
51	91.7576	--
52	91.6780	--
53	91.5975	--
54	91.5213	--
55	91.4280	--
56	91.3337	--
57	91.2274	--
58	91.1200	--
59	91.0115	--
60	90.8858	--
61	90.7587	--
62	90.6305	--
63	90.4848	--
64	90.3378	--
65	90.1893	--
66	90.0447	--
67	89.8853	--
68	89.7243	--
69	89.5536	--
70	89.3813	--
71	89.2075	--

Interim Rent Date and <u>Basic Rent Payment Number</u>	Casualty Value <u>(a) (b)</u>	Termination Value <u>(a) (b)</u>
72	89.0185	--
73	88.8278	--
74	88.6355	--
75	88.4279	--
76	88.2184	--
77	88.0071	--
78	87.7993	--
79	87.5788	--
80	87.3564	--
81	87.1266	--
82	86.8948	--
83	86.6609	--
84	86.4142	--
85	86.1653	--
86	85.9143	--
87	85.6513	--
88	85.3860	--
89	85.1185	--
90	84.8531	--
91	84.5810	--
92	84.3065	--
93	84.0297	--
94	83.7505	--
95	83.4690	--
96	83.1850	--
97	82.8986	--
98	82.6098	--
99	82.3185	--
100	82.0247	--
101	81.7284	--
102	81.4296	--
103	81.1282	--
104	80.8242	--
105	80.5177	--
106	80.8967	--
107	79.5822	--
108	79.5822	--
109	79.2650	--
110	78.9452	--
111	78.6226	--
112	78.2972	--

Interim Rent Date and Basic Rent Payment Number	Casualty Value		Termination Value	
	(a)	(b)	(a)	(b)
113	77.9691		--	
114	77.6381		--	
115	77.3044		--	
116	76.9678		--	
117	76.6283		--	
118	76.2859		--	
119	75.9406		--	
120	75.5923		--	
121	75.2410		75.2410	
122	74.8868		74.8868	
123	74.5295		74.5295	
124	74.1692		74.1692	
125	73.8058		73.8058	
126	73.4393		73.4393	
127	73.0697		73.0697	
128	72.6969		72.6969	
129	72.3209		72.3209	
130	71.9417		71.9417	
131	71.5593		71.5593	
132	71.1736		71.1736	
133	70.7846		70.7846	
134	70.3923		70.3923	
135	69.9967		69.9967	
136	69.5976		69.5976	
137	69.1952		69.1952	
138	68.7893		68.7893	
139	68.3800		68.3800	
140	67.9671		67.9671	
141	67.5514		67.5514	
142	67.1321		67.1321	
143	66.7092		66.7092	
144	66.2861		66.2861	
145	65.8594		65.8594	
146	65.4290		65.4290	
147	64.9984		64.9984	
148	64.5640		64.5640	
149	64.1259		64.1259	
150	63.6901		63.6901	
151	63.2570		63.2570	
152	62.8202		62.8202	
153	62.3921		62.3921	
154	61.9603		61.9603	

Interim Rent Date and Basic Rent Payment Number	Casualty Value (a) (b)	Termination Value (a) (b)
155	61.5248	61.5248
156	61.0919	61.0919
157	60.6552	60.6552
158	60.2147	60.2147
159	59.7768	59.7768
160	59.3350	59.3350
161	58.8894	58.8894
162	58.4440	58.4440
163	58.0033	58.0033
164	57.5587	57.5587
165	57.1228	57.1228
166	56.6830	56.6830
167	56.2394	56.2394
168	55.8003	55.8003
169	55.3573	55.3573
170	54.9103	54.9103
171	54.4679	54.4679
172	54.0214	54.0214
173	53.5710	53.5710
174	53.1188	53.1188
175	52.6722	52.6722
176	52.2216	52.2216
177	51.7788	51.7788
178	51.3320	51.3320
179	50.8811	50.8811
180	50.4358	50.4358
181	49.9864	49.9864
182	49.5328	49.5328
183	49.0848	49.0848
184	48.6326	48.6326
185	48.1763	48.1763
186	47.7183	47.7183
187	47.2669	47.2669
188	46.8114	46.8114
189	46.3650	46.3650
190	45.9144	45.9144
191	45.4596	45.4596
192	45.0115	45.0115
193	44.5591	44.5591
194	44.1024	44.1024
195	43.6524	43.6524
196	43.1981	43.1981

Interim Rent Date and <u>Basic Rent Payment Number</u>	Casualty Value <u>(a) (b)</u>	Termination Value <u>(a) (b)</u>
198	42.7395	42.7395
198	42.2791	42.2791
299	41.8265	41.8265
200	41.3696	41.3696
201	40.9231	40.9231
202	40.4723	40.4723
203	40.0171	40.0171
204	39.5664	39.5664
205	39.1081	39.1081
206	38.6420	38.6420
207	38.1804	38.1804
208	37.7110	37.7110
209	37.2338	37.2338
210	36.7513	36.7513
211	36.2745	36.2745
212	35.7898	35.7898
213	35.3132	35.3132
214	34.8289	34.8289
215	34.3366	34.3366
216	33.8499	33.8499
217	33.3553	33.3553
218	32.8527	32.8527
219	32.3556	32.3556
220	31.8505	31.8505
221	31.3374	31.3374
222	30.8169	30.8169
223	30.3022	30.3022
224	29.7793	29.7793
225	29.2629	29.2629
226	28.7383	28.7383
227	28.2056	28.2056
228	27.6785	27.6785
229	27.1433	27.1433
230	26.5998	26.5998
231	26.0619	26.0619
232	25.5158	25.5158
233	24.9614	24.9614
234	24.3986	24.3986
235	23.8413	23.8413
236	23.0255	23.0255
237	22.4653	22.4653
238	21.8966	21.8966
239	21.3195	21.3195
240	20.0000	--

(a) Casualty Values and Termination Values are expressed as percentages of Lessor's Cost. Such percentages have been computed without regard to recapture of Investment Credit. Consequently, such percentages applicable on the Interim Rent Date or any Basic Rent Date where Casualty Values or Termination Values shall be payable with respect to an Event of Loss occurring before the third, fifth or seventh anniversary of the date of acceptance set forth in the Certificate of Acceptance for such Item shall be increased by the percentage of Lessor's Cost set forth below, and for purposes of this Lease, Casualty Values or Termination Values payable on such dates shall be determined on the basis of the sum of such percentages:

<u>Anniversary of the Date of Acceptance</u>	<u>Percentage of Lessor's Cost To be Added to the Foregoing Percentage</u>
Third	20.3500%
Fifth	13.5667%
Seventh	6.7833%

(b) In the event the Basic Lease Rate Factor is increased pursuant to the tax indemnification provisions set forth in Section 15 of the Lease, Casualty Values and Termination Values shall be adjusted accordingly.

EXHIBIT E
to Lease

In the event that the Long-Term Lender does not make its Loan on any Closing Date pursuant to the Participation Agreement, the Casualty Value and Termination Value of each Item of Leased Equipment shall be the percentage of Lessor's Cost of such Item set forth opposite the applicable rent payment:

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
On or Before the Interim Rent Date	109.0580%	--
1	107.1450	--
2	106.9830	--
3	106.8200	--
4	106.6570	--
5	106.4920	--
6	106.6241	--
7	106.9605	--
8	107.2625	--
9	107.5614	--
10	107.7625	--
11	107.9599	--
12	108.1536	--
13	108.3121	--
14	108.4667	--
15	108.6173	--
16	108.7324	--
17	108.8433	--
18	108.9500	--
19	109.0975	--
20	109.2319	--
21	109.3622	--
22	109.5243	--
23	109.6825	--
24	109.8368	--
25	109.9780	--
26	110.1153	--
27	110.2484	--

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
28	110.3685	--
29	110.4844	--
30	110.5961	--
31	110.7097	--
32	110.8130	--
33	110.9121	--
34	111.0069	--
35	111.0974	--
36	111.1837	--
37	104.4761	--
38	104.5470	--
39	104.6145	--
40	104.6710	--
41	104.7229	--
42	104.7704	--
43	104.8170	--
44	104.8548	--
45	104.8881	--
46	104.9163	--
47	104.9398	--
48	104.9587	--
49	104.9686	--
50	104.9738	--
51	104.9741	--
52	104.9655	--
53	104.9519	--
54	104.9335	--
55	104.9138	--
56	104.8869	--
57	104.8550	--
58	104.8196	--
59	104.7792	--
60	104.7336	--
61	97.8974	--
62	97.8393	--
63	97.7761	--
64	97.7054	--
65	97.6294	--
66	97.5481	--
67	97.4653	--
68	97.3768	--
69	97.2829	--

Interim Rent Date
and
Basic Rent Payment Date

Casualty Value
(a)

Termination
Value
(a)

70	97.1870	--
71	97.0858	--
72	96.9791	--
73	96.8665	--
74	96.7485	--
75	96.6249	--
76	96.4954	--
77	96.3603	--
78	96.2195	--
79	96.0769	--
80	95.9301	--
81	95.7776	--
82	95.6247	--
83	95.4660	--
84	95.3016	--
85	88.3495	--
86	88.1750	--
87	87.9946	--
88	87.8098	--
89	87.6191	--
90	87.4224	--
91	87.2236	--
92	87.0221	--
93	86.8147	--
94	86.6083	--
95	86.3959	--
96	86.1775	--
97	85.9563	--
98	85.7290	--
99	85.4955	--
100	85.2592	--
101	85.0167	--
102	84.7680	--
103	84.5167	--
104	84.2645	--
105	84.0059	--
106	83.7500	--
107	83.4878	--
108	83.2193	--
109	82.9496	--
110	82.6735	--
111	82.3910	--

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
112	82.1073	--
113	81.8170	--
114	81.5203	--
115	81.2208	--
116	80.9218	--
117	80.6163	--
118	80.3151	--
119	80.0074	--
120	79.6930	--
121	79.3791	79.3791
122	79.0585	79.0585
123	78.7312	78.7312
124	78.4044	78.4044
125	78.0708	78.0708
126	77.7305	77.7305
127	77.3871	77.3871
128	77.0459	77.0459
129	76.6979	76.6979
130	76.3559	76.3559
131	76.0070	76.0070
132	75.6513	75.6513
133	75.2978	75.2978
134	74.9373	74.9373
135	74.5699	74.5699
136	74.2046	74.2046
137	73.8324	73.8324
138	73.4531	73.4531
139	73.0705	73.0705
140	72.6919	72.6919
141	72.3062	72.3062
142	71.9281	71.9281
143	71.5431	71.5431
144	71.1509	71.1509
145	70.7626	70.7626
146	70.3671	70.3671
147	69.9646	69.9646
148	69.5658	69.5658
149	69.1598	69.1598
150	68.7467	68.7467
151	68.3301	68.3301
152	67.9190	67.9190
153	67.5008	67.5008

Interim Rent Date and <u>Basic Rent Payment Date</u>	<u>Casualty Value</u> <u>(a)</u>	<u>Termination</u> <u>Value</u> <u>(a)</u>
154	67.0919	67.0919
155	66.6757	66.6757
156	66.2524	66.2524
157	65.8345	65.8345
158	65.4094	65.4094
159	64.9770	64.9770
160	64.5500	64.5500
161	64.1158	64.1158
162	63.6742	63.6742
163	63.2271	63.2271
164	62.7865	62.7865
165	62.3385	62.3385
166	61.8989	61.8989
167	61.4519	61.4519
168	60.9975	60.9975
169	60.5494	60.5494
170	60.0939	60.0939
171	59.6310	59.6310
172	59.1743	59.1743
173	58.7101	58.7101
174	58.2384	58.2384
175	57.7593	57.7593
176	57.2866	57.2866
177	56.8063	56.8063
178	56.3326	56.3326
179	55.8513	55.8513
180	55.3624	55.3624
181	54.8797	54.8797
182	54.3894	54.3894
183	53.8914	53.8914
184	53.3996	53.3996
185	52.9002	52.9002
186	52.3930	52.3930
187	51.8783	51.8783
188	51.3698	51.3698
189	50.8535	50.8535
190	50.3437	50.3437
191	49.8261	49.8261
192	49.3007	49.3007
193	48.7814	48.7814
194	48.2543	48.2543
195	47.7193	47.7193

Interim Rent Date and Basic Rent Payment Date	Casualty Value (a)	Termination Value (a)
196	47.1905	47.1905
197	46.6537	46.6537
198	46.1089	46.1089
199	45.5563	45.5563
200	45.0098	45.0098
201	44.4552	44.4552
202	43.9069	43.9069
203	43.3506	43.3506
204	42.7861	42.7861
205	42.2277	42.2277
206	41.6613	41.6613
207	41.0866	41.0866
208	40.5180	40.5180
209	39.9412	39.9412
210	39.3562	39.3562
211	38.7630	38.7630
212	38.1756	38.1756
213	37.5800	37.5800
214	36.9902	36.9902
215	36.3922	36.3922
216	35.7858	35.7858
217	35.1853	35.1853
218	34.5764	34.5764
219	33.9591	33.9591
220	33.3475	33.3475
221	32.7276	32.7276
222	32.0992	32.0992
223	31.4623	31.4623
224	30.8310	30.8310
225	30.1912	30.1912
226	29.5570	29.5570
227	28.9143	28.9143
228	28.2630	28.2630
229	27.6173	27.6173
230	26.9629	26.9629
231	26.2999	26.2999
232	25.6424	25.6424
233	24.9762	24.9762
234	24.0513	24.0513
235	23.3676	23.3676
236	22.6892	22.6892

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
237	22.0021	22.0021
238	21.3203	21.3202
239	20.7500	20.7500
240	20.0000	--

(a) In the event the Basic Lease Rate Factor is increased pursuant to the tax indemnification provisions set forth in Section 15 of the Lease, Casualty Values and Termination Values shall be adjusted accordingly.

THE RIGHTS OF THE LESSOR UNDER THIS EQUIPMENT LEASE AND IN ALL EQUIPMENT COVERED HEREBY HAVE BEEN ASSIGNED TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, FIRST SECURITY BANK OF UTAH, N.A., AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF NOVEMBER 2, 1978, AS AMENDED AND SUPPLEMENTED. THIS EQUIPMENT LEASE HAS BEEN EXECUTED IN COUNTERPARTS.

EQUIPMENT LEASE

Dated as of March 15, 1979

between

THE CONNECTICUT BANK AND TRUST COMPANY
not in its individual capacity, but
solely as trustee under a Master
Trust Agreement
dated as of November 2, 1978,
between it and Itel Corporation, Equipment Finance Division,
as Lessor

and

INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.
as Lessee

EQUIPMENT LEASE

THIS EQUIPMENT LEASE dated as of the date set forth in Exhibit C hereto (the Lease) between THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut Corporation not in its individual capacity, but solely as trustee (the Lessor) under a Master Trust Agreement dated as of November 2, 1978 (the Trust Agreement), between it and Itel Corporation, Equipment Finance Division, and INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC., an Indiana corporation (the Lessee).

W I T N E S S E T H:

SECTION 1. Definitions; Construction of References. In this Lease, unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Lease:

Abatements shall have the meaning set forth in Section 4 hereof.

Appraisal shall mean a procedure whereby two independent appraisers, one chosen by the Lessee and one by the Lessor, shall mutually agree upon the amount in question. The Lessor or the Lessee, as the case may be, shall deliver a written notice to the other party appointing its appraiser within 15 days after receipt from the other party of a written notice appointing that party's appraiser. If within 15 days after appointment of the two appraisers, the two appraisers are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 5 days thereafter by the mutual consent of such first 2 appraisers or, if such first 2 appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by an authorized representative of the American Arbitration Association or any organization successor thereto. The decision of the third appraiser so appointed and chosen shall be given within 10 days after the selection of such third appraiser and, upon receipt of such decision, the amount in question shall be definitively determined by disregarding the decision of the

appraiser which is at greatest variance with the other two appraisals and averaging the respective decisions of the remaining two appraisers. Thereafter the amount as so determined shall be binding and conclusive on the Lessor and the Lessee. The Lessor and the Lessee shall pay the fees and expenses of the respective appraisers appointed by them. The fees and expenses of the third appraiser, if any, shall either (A) be added to the purchase price of the Items of Leased Equipment appraised, if such Items should be purchased by the Lessee, or (B) if such Items should not be purchased by the Lessee, be paid by the Lessee as Supplemental Rent hereunder.

Basic Rent, Supplemental Rent and Rent shall have the meanings set forth in Section 3 hereof.

Beneficiary, Rent Commencement Date, Late Payment Rate, Basic Rent Dates, First Delivery Date, Final Delivery Date, Interim Rent Date, First Basic Rent Date, Last Basic Rent Date, Expiration Date, First Termination Date, Basic Lease Rate Factor, Daily Lease Rate Factor, Lease Extension Periods, Equipment Marking, Period of Storage, Investment Credit Percentage, Depreciable Life, Depreciation Method, and Net Salvage Value shall have the meanings set forth in Exhibit C hereto.

Business Day shall have the meaning set forth in the Participation Agreement.

Casualty Value and Termination Value shall have the meanings with respect to the Equipment set forth in Exhibit D and Exhibit E hereto.

Certificate of Acceptance shall mean a certificate substantially in the form of Exhibit B hereto.

Claims shall have the meaning set forth in Section 12 hereof.

Closing Date shall have the meaning set forth in the Participation Agreement.

Code shall have the meaning set forth in Section 13 hereof.

Default shall mean an event which, after the giving of notice or lapse of time, or both, would mature

into an Event of Default.

Depreciation Deduction, Interest Deduction and Investment Credit shall have the meanings set forth in Section 13 hereof.

Equipment, and individually an Item or Item of Equipment, shall mean the items of equipment described in Exhibit A hereto.

Event of Default shall have the meaning set forth in Section 15 hereof.

Event of Loss shall have the meaning set forth in Section 10 hereof.

Fair Market Rental Value of an Item of Leased Equipment shall be determined on the basis of, and shall mean the amount which would be obtainable in, an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) under no compulsion to lease and an informed and willing lessor under no compulsion to lease, in accordance with a lease on terms and conditions as herein provided. If the Lessor and the Lessee are unable to agree upon a determination of Fair Market Rental Value with respect to an Item of Leased Equipment, such Fair Market Rental Value shall be determined in accordance with the procedure for Appraisal.

Fair Market Value of an Item of Leased Equipment shall be determined on the basis of, and shall mean the amount which would be obtainable in, an arm's-length transaction between an informed and willing buyer or user (other than: (i) a lessee currently in possession, or (ii) a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell, and in such determination costs of removal from the location of current use shall not be a deduction from such value. If the Lessor and the Lessee are unable to agree upon a determination of Fair Market Value with respect to a particular Item of Leased Equipment, such Fair Market Value shall be determined in accordance with the procedure for Appraisal.

Impositions shall have the meaning set forth in Section 7 hereof.

Indenture shall mean the Trust Indenture dated as of November 2, 1978, between First Security Bank of Utah, N.A., a national banking corporation (the Trustee), and the Lessor.

Lessor's Cost shall mean, with respect to any Item of Leased Equipment, the cost thereof set forth in the manufacturer's invoice therefor.

Leased Equipment, and individually an Item of Leased Equipment, shall have the meanings set forth in Section 2 hereof.

Liens and Lessor's Liens shall have the meanings set forth in Section 6 hereof.

Loss shall have the meaning set forth in Section 13 hereof.

Notes shall mean those promissory notes defined as Notes in the Participation Agreement issued in connection with the purchase of the Leased Equipment.

Participation Agreement shall mean the agreement, dated as of the date hereof, among the various parties thereto, including the Lessor, the Trustee, the Beneficiary, the Lessee and each entity named herein as the Interim Lender or the Long-Term Lender.

Person shall mean any individual, partnership, corporation, trust, unincorporated association or joint venture, a government or any department or agency thereof, or any other entity.

Purchase Documents shall mean those documents defined as "Purchase Documents" in the Participation Agreement.

Requisition of Use shall have the meaning set forth in Section 10 hereof.

Supplement shall mean each supplement to the Indenture creating a separate series of Notes for issuance in connection with the purchase of the Leased Equipment.

SECTION 2. Lease of Equipment. Subject to the terms and conditions of this Lease, the Lessor agrees to lease to the Lessee, and the Lessee agrees to lease from the Lessor, such Items of Equipment as the Lessor shall have acquired, or become obligated to pay for, pursuant to the Purchase Documents (Leased Equipment, and individually an Item of Leased Equipment). Subject to the provisions of the Participation Agreement, upon delivery of each Item of Equipment to the Lessor on or after the First Delivery Date, but on or before the Final Delivery Date, the Lessee will either (a) cause an authorized representative of the Lessee to inspect the same and, if such Item is found to be in good order, to accept such Item and to execute and deliver a Certificate of Acceptance with respect thereto, or (b) if the Lessee, acting in good faith, should find that such Item is not in good order, return the same to the manufacturer thereof. Each Item of Leased Equipment delivered to the Lessee in accordance with the Purchase Documents shall be subject to the terms and conditions of this Lease from the date the Lessor shall have acquired, or become obligated to pay for, such Item.

SECTION 3. Term and Rent. (a) The term of this Lease shall begin on the date the first Item of Equipment shall become an Item of Leased Equipment hereunder, and shall end on the Expiration Date, unless this Lease shall have been terminated, or the term of this Lease shall have been extended, by the terms hereof.

(b) The Lessee shall pay to the Lessor as basic rent (herein referred to as Basic Rent) for each Item of Leased Equipment, the following:

(1) on the Interim Rent Date, an amount equal to the Daily Lease Rate Factor, if any, multiplied by the Lessor's Cost of such Item of Leased Equipment, for each day elapsed from, and including, the Rent Commencement Date with respect to such Item of Leased Equipment to, but excluding, the Interim Rent Date; and

(2) on the First Basic Rent Date and on each Basic Rent Date thereafter to and including the Last Basic Rent Date, an amount equal to the Basic Lease Rate Factor multiplied by the Lessor's Cost of such Item of Leased Equipment.

(c) The Lessee shall pay to the Lessor the follow-

ing amounts (herein referred to as Supplemental Rent and, together with all Basic Rent, as Rent):

(1) on demand, any amount payable hereunder (other than Basic Rent, Casualty Value and Termination Value) which the Lessee assumes the obligation to pay, or agrees to pay, under this Lease to the Lessor or others;

(2) on the date provided herein, any amount payable hereunder as Casualty Value or Termination Value; and

(3) on demand, to the extent permitted by applicable law, interest (computed on the basis of a 360-day year of actual days elapsed) at the Late Payment Rate on any payment of Basic Rent, Casualty Value or Termination Value not paid when due for any period during which the same shall be overdue.

(d) Subject to the provisions of the Participation Agreement, all payments of Rent hereunder shall be made so that the Lessor shall have immediately available funds no later than 11:00 A.M. New York City time on the date payable hereunder and shall be paid to the Lessor at its address set forth herein or at such other address or to such other Person as the Lessor may direct by notice in writing to the Lessee.

SECTION 4. Net Lease. This Lease is a net lease, and the Lessee agrees that the Lessee's obligation to pay all Rent hereunder, and the rights of the Lessor in and to such Rent, shall be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment (Abatements) for any reason whatsoever, including, without limitation, Abatements due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise, against the manufacturer of any Item of Leased Equipment, or against any other Person for whatever reason. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of the Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, the Leased Equipment or any Item thereof from whatsoever cause, or the interference with the use thereof by the Lessor or any other Person, or the invalidity or unenforceability or lack of due authorization of this Lease or any failure of the Lessor to perform any obligation of the Lessor to the Lessee or any other Person under this Lease, the Participation Agreement or any instrument or document executed in connection herewith,

or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of the Lessor and the Lessee that all Rent payable by the Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

SECTION 5. Warranty of the Lessor. (a) The Lessor warrants that during the term of this Lease, if no Event of Default has occurred, the Lessee's use of the Leased Equipment shall not be interrupted by the Lessor or anyone claiming solely through or under the Lessor.

(b) The warranty set forth in paragraph (a) of this Section 5 is in lieu of all other warranties of the Lessor, whether written, oral or implied with respect to this Lease or the Leased Equipment, and the Lessor shall not be deemed to have modified in any respect the obligations of the Lessee pursuant to Section 4 hereof, which obligations are absolute and unconditional. THE LESSEE EXPRESSLY AGREES TO LEASE EACH ITEM OF LEASED EQUIPMENT "AS IS." THE LESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND THE LESSOR HEREBY DISCLAIMS, ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE LEASED EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE LEASED EQUIPMENT OR CONFORMITY OF THE LEASED EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL THE LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT OR ABSOLUTE LIABILITY IN TORT), but the Lessor authorizes the Lessee, at the Lessee's expense, to assert for the Lessor's account, during the term of this Lease, so long as no Event of Default shall have occurred hereunder, all of the Lessor's rights under any applicable manufacturer's warranty and the Lessor agrees to cooperate with the Lessee in asserting such rights; provided, however, that the Lessee shall indemnify the Lessor and hold the Lessor harmless from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by the Lessor in connection with, as a result of, or incidental to, any action by the Lessee pursuant to the above authorization. Any amount received by the Lessee as payment under any such warranty shall be applied to restore the Leased Equipment to the condition required by Section 8 hereof.

SECTION 6. Liens. The Lessee will not directly or indirectly create, incur, assume or suffer to exist any mortgage, lien, security interest, charge, claim or other encumbrance (Liens) on or with respect to the Leased Equipment, the Lessor's title thereto or any interest of the Lessor therein (and the Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such Lien), except (a) the respective rights of the Lessor and the Lessee as herein provided, (b) Liens created or granted by the Lessor or resulting from claims against the Lessor not related to the transactions contemplated hereby (Lessor's Liens), (c) Liens for taxes either not yet due or being duly contested by the Lessee in good faith, if counsel for the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor, and (d) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business of the Lessee and not delinquent.

SECTION 7. Taxes. The Lessee agrees to pay and to indemnify and hold harmless the Lessor for all income, franchise, sales, use, personal property, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, or withholdings of any nature, together with any penalties, fines or interest thereon (Impositions), arising out of the transactions contemplated by this Lease or any Supplement and imposed against the Lessor, the Lessee or any Item of Leased Equipment by any Federal, state, local or foreign government or taxing authority upon or with respect to any Item of Leased Equipment or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease (excluding, however, Federal taxes on, or measured solely by, the net income of the Lessor and taxes measured by the net income of the Lessor which are imposed by (i) the State of California or any jurisdiction within California or (ii) any other jurisdiction in which the Lessor is subject to taxes as a result of business or transactions unrelated to this Lease) unless, and only to the extent that, the Lessee shall have given to the Lessor written notice of any such Imposition, stating that such Imposition is being duly contested by the Lessee in good faith and counsel for the Lessor shall have

determined that the nonpayment or contest of payment in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor. If a claim is made against the Lessee or the Lessor for any Imposition, the party receiving notice of such claim shall promptly notify the other. In case any report or return is required to be made with respect to any obligation of the Lessee under, or arising out of, this Section 7, the Lessee will either (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Leased Equipment in the Lessor and send a copy thereof to the Lessor or will notify the Lessor of such requirement and make such report or return in such manner as shall be satisfactory to the Lessor. The Lessor agrees to cooperate fully with the Lessee in the preparation of any such report or return.

SECTION 8. Use, Maintenance and Operation; Equipment Marking. (a) The Lessee agrees that each Item of Leased Equipment will only be used for the transportation of grain and other dry agricultural commodities no more corrosive than grain unless the Lessor and the Trustee shall otherwise consent in writing, which consent will not be unreasonably withheld. The Lessee further agrees that each Item of Leased Equipment will be used, or is intended for use, in connection with interstate commerce, will not be used (except for de minimis use) outside of the continental United States of America without the prior written consent of the Lessor and will be used in compliance with any and all statutes, laws, ordinances and regulations of any governmental agency applicable to the use thereof, and the Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with any Federal, state or other regulatory authority by reason of ownership by the Lessor of the Items of Leased Equipment or the leasing thereof to the Lessee. Throughout the term of this Lease, the possession, use and maintenance of each Item of Leased Equipment shall be at the sole risk and expense of the Lessee.

(b) So long as no Event of Default exists hereunder, the Lessee shall be entitled to the possession and use of each Item of Leased Equipment in accordance with the terms of this Lease. Without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease in all or any of the Leased Equip-

ment except as hereinafter provided in this paragraph; and the Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Leased Equipment, except to the extent hereinafter provided in this paragraph. The Lessee shall be entitled to the use of each Item of Leased Equipment upon lines of railroad owned or operated by it or any affiliate of the Lessee or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which railroad equipment of the Lessee or any such affiliate is operated pursuant to contract or otherwise and shall be entitled to permit the use of the Leased Equipment upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and, without relieving the Lessee of its liability hereunder, to assign its rights to any and all Items of Leased Equipment or to sublease such Items of Leased Equipment, but only upon and subject to all the terms and conditions of this Lease; provided, however, that the Lessee shall not, without the prior written consent of the Lessor, assign, sublease or permit the assignment, sublease or use (except for de minimis use) of any Item of Leased Equipment outside the continental United States of America, nor shall the Lessee assign or sublease to, or permit the sublease or use of any Item of Leased Equipment by, any person in whose hands such Item would not qualify as "Section 38 property" within the meaning of the Code. So long as no Event of Default shall exist hereunder, the Lessee may receive and retain compensation for the use of any of the Items of Leased Equipment from railroads or other entities so using such Items.

Nothing in this Section 8 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease or possession of the Leased Equipment to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition, be in default under any provision of this Lease; and provided further that if the Lessee shall continue in existence after any such corporate change, it shall also continue to remain liable with respect to the obligations of the Lessee hereunder, unless the Owner

Trustee and the Trustee shall otherwise consent in writing, notwithstanding any such assumption by a successor to the Lessee, as aforesaid.

(c) The Lessee agrees to comply in all respects (including without limitation with respect to the use, maintenance and operation of each Item of Leased Equipment) with all laws of the jurisdictions in which its operations involving the Items of Leased Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Items of Leased Equipment, to the extent that such laws and rules affect the title, operation or use of the same, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Item of Leased Equipment, the Lessee will conform therewith at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor under this Lease.

(d) The Lessee agrees that, at its own cost and expense, it will maintain and keep each Item of Leased Equipment (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted, in accordance with the Interchange Rules of the Association of American Railroads and in the same condition as other similar equipment owned or leased by the Lessee. The Lessee, at its own cost and expense, may from time to time make such other additions, modifications and improvements to any Item of Leased Equipment during the term of this Lease as are readily removable without causing material damage to such Items of Leased Equipment (and do not adversely and materially affect the value of such Items of Leased Equipment or affect the originally intended use thereof). The additions, modifications and improvements made by the Lessee under the preceding sentence shall be owned by the Lessee, except to the extent such additions, modifications or improvements are made in order to comply with the next sentence hereof. Any and all parts installed on and additions and replacements made to any Item of Leased Equipment (i) which are not readily removable without causing material

damage to such Item, (ii) the cost of which is included in the Lessor's Cost, (iii) in the course of ordinary maintenance of such Item of Leased Equipment or (iv) which are required for the operation or use of such Unit by the interchange rules of the Association of American Railroads or by the regulations of the Interstate Commerce Commission, the Department of Transportation or any other applicable regulatory body, shall constitute accessions to such Item of Leased Equipment and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the Lessor) shall immediately be vested in the Lessor.

(e) The Lessee agrees, at its own cost and expense, to (1) cause each Item of Leased Equipment to be kept numbered with the identification number therefor as specified in the Certificate of Acceptance therefor, and (2) maintain the Equipment Marking on each Item of Leased Equipment and such other markings as from time to time may be required by law or otherwise deemed necessary by the Lessor in order to protect the title of the Lessor to such Item of Leased Equipment, the rights of the Lessor under this Lease and the Liens granted by the Lessor in financing the Lessor's Cost of the Leased Equipment. The Lessee will not place any Item of Leased Equipment in operation or exercise any control or dominion over the same until such Equipment Marking has been placed thereon. The Lessee will replace promptly any such Equipment Marking which may be removed, defaced or destroyed.

SECTION 9. Inspection and Reports. On or before March 31 in each year, commencing with the calendar year after the First Delivery Date, the Lessee will furnish to the Lessor and the Trustee an accurate statement (a) setting forth as at the preceding December 31 the total number, description and identification numbers of all Items of Leased Equipment then leased hereunder, the total number, description and identification numbers of all Items of Leased Equipment that have suffered an Event of Loss during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending repair (other than running repairs) and setting forth such other information regarding the condition and state of repair thereof as the Lessor or the Trustee may reasonably request, (b) stating that, in the case of all Items of Leased Equipment repainted or repaired during the period covered by such statement, the numbers and markings required by Section 8 hereof have been preserved or replaced and (c) further stating that the Lessee is in compliance under this Lease.

The Lessor and the Trustee shall each have the right (but not the obligation) by its agents to inspect the Items of Leased Equipment and the Lessee's records with respect thereto at such reasonable times as the Lessor or the Trustee may request during the continuance of this Lease.

SECTION 10. Loss or Destruction; Requisition of Use. (a) In the event that any Item of Leased Equipment shall be or become irreparably damaged, worn out, destroyed, lost, stolen, or permanently rendered unfit for use for any reason whatsoever, or title thereto or use thereof shall be requisitioned or otherwise taken by any governmental authority under power of eminent domain or otherwise (any such taking being herein referred to as a Requisition of Use) for a stated period which exceeds the then remaining term of this Lease (any of such occurrences being referred to as an Event of Loss), the Lessee shall promptly notify the Lessor of such Event of Loss. On the Basic Rent Date next following the date of such Event of Loss, the Lessee shall pay to the Lessor the Casualty Value of such Item of Leased Equipment determined as of such Basic Rent Date, together with any Rent then due. If at such time no more Basic Rent is or will become payable under this Lease, the Casualty Value shall be paid within 30 days following the Event of Loss. Upon making such Casualty Value payment in respect of such Item of Leased Equipment and all Rent due and owing with respect thereto, the Lessee's obligation to pay further Basic Rent for such Item of Leased Equipment shall cease, but the Lessee's obligation to pay Supplemental Rent, if any, for such Item of Leased Equipment, shall remain unchanged. Except in the case of loss, theft or destruction, the Lessor shall be entitled to recover possession of such Item. The Lessor shall be under no duty to the Lessee to pursue any claim against any governmental authority, but the Lessee may at its own cost and expense pursue the same on behalf of the Lessor in such manner as may be satisfactory to the Lessor.

(b) Following payment of the Casualty Value of an Item of Leased Equipment in accordance with the provisions of paragraph (a) of this Section 10, the Lessee, if possible, shall, as agent for the Lessor, dispose of such Item as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an as is, where is basis without recourse, representation or warranty, express or implied. As to each separate Item of Leased Equipment so disposed of, the Lessee may, after paying the Lessor the amounts specified in paragraph (a) of this Section 10, retain all amounts of such price up to the Casualty Value thereof and the Lessee's

reasonable costs and expenses of disposition attributable thereto, and shall remit the excess, if any, to the Lessor. With respect to a Requisition of Use of any Item of Leased Equipment for a stated period which exceeds the then remaining term of this Lease, the Lessor agrees that the Lessee shall receive and retain all amounts paid by any governmental authority up to the Casualty Value paid by the Lessee to the Lessor hereunder, and any excess shall be paid over and retained by the Lessor.

(c) Except as provided in this Section 10, the Lessee shall bear the risk of loss and shall not be released from its obligations hereunder in the event of any damage to any Item of Leased Equipment or any Event of Loss relating thereto.

(d) In the case of a Requisition of Use of any Item of Leased Equipment for an indefinite period or for a stated period which does not exceed the then remaining term of this Lease, such Requisition of Use shall not terminate this Lease with respect to such Item and each and every obligation of the Lessee with respect thereto shall remain in full force and effect. So long as no Event of Default shall have occurred and be continuing under this Lease, the Lessee shall be entitled to all sums, attributable to the period such Item is subject to this Lease, received by reason of any such Requisition of Use referred to in the preceding sentence, up to the amount of the Basic Rent paid by the Lessee during the period of such Requisition of Use, and the Lessor shall be entitled to all amounts in excess of the Basic Rent.

SECTION 11. Insurance. At its own expense, the Lessee will cause to be carried and maintained casualty insurance with respect to each Item of Leased Equipment and public liability insurance, in each case in amounts and against risks customarily insured against by the Lessee on similar equipment owned by it or, if the Lessee shall have no such similar equipment, in amounts and against risks comparable to those insured against by railroad companies on similar equipment; provided, however, that the amounts and risk coverage of public liability insurance shall be satisfactory to the Lessor and the Trustee, shall name the Lessor, the Lessee, and the Trustee as assureds and loss payees, as their interests may appear, and shall provide for at least ten days' prior written notice by the insurance carrier to the Lessor and the Trustee in the event of cancelation or expiration.

SECTION 12. Indemnification. The Lessee agrees to assume liability for, and does hereby agree to indemnify and save harmless the Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability in tort), actions, costs and expenses (including, without limitation, legal fees and expenses) of any kind and nature whatsoever (Claims) which may be imposed on, incurred by or asserted against the Lessor, to the extent the Lessor shall not have actually received compensation for such Claims from others, in any way relating to or arising out of this Lease or any document contemplated hereby, including, without limitation, the Indenture to the extent attributable to any Supplement, or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, sale, return, storage or disposition of any Item of Leased Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable and any Claim for patent or trademark infringement); provided, however, that the Lessee shall not be required to indemnify the Lessor for (a) any Claim in respect of any Item of Leased Equipment arising from acts or events which occur after possession of such Item of Leased Equipment has been redelivered to the Lessor in accordance with Section 17 hereof, or (b) any Claim resulting from acts which would constitute the wilful misconduct or gross negligence of the Lessor. To the extent that the Lessor in fact receives indemnification payments from the Lessee under the indemnification provisions of this Section 12, the Lessee shall be subrogated, to the extent of such indemnity paid, to the Lessor's rights with respect to the transaction or event requiring or giving rise to such indemnity; provided, however, that the Lessee shall not enforce any such rights by legal proceedings without the Lessor's approval, which approval shall not be unreasonably withheld. THE LESSEE AGREES THAT THE LESSOR SHALL NOT BE LIABLE TO THE LESSEE FOR ANY CLAIM CAUSED DIRECTLY OR INDIRECTLY BY THE INADEQUACY OF ANY ITEM OF LEASED EQUIPMENT FOR ANY PURPOSE OR ANY DEFICIENCY OR DEFECT THEREIN OR THE USE OR MAINTENANCE THEREOF OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO OR ANY DELAY IN PROVIDING OR FAILURE TO PROVIDE ANY THEREOF OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF OR ANY LOSS OF BUSINESS, ALL OF WHICH SHALL BE THE RISK AND RESPONSIBILITY OF THE LESSEE.

SECTION 13. Tax Indemnification. (a) This Lease has been entered into on the basis that the Lessor

shall be entitled to such deductions, credits and other benefits as are provided to an owner of property including, without limitation:

(1) unless otherwise provided in Exhibit C hereto, the investment tax credit (the Investment Credit) allowed by section 38 and related sections of the Internal Revenue Code of 1954, as amended to the date hereof (the Code), in an amount equal to the Investment Credit Percentage of Lessor's Cost of each Item of Leased Equipment set forth in Exhibit C hereto;

(2) the deduction for accelerated depreciation (the Depreciation Deduction) on each Item of Leased Equipment under various sections of the Code based upon the Depreciable Life, Depreciation Method, and Net Salvage Value set forth in Exhibit C hereto; and

(3) the deduction under section 163 of the Code (the Interest Deduction) in the full amount of any interest paid or accrued by the Lessor in accordance with the Lessor's method of accounting for tax purposes with respect to any indebtedness incurred by the Lessor in financing its purchase of each Item of Leased Equipment.

(b) This Lease has also been entered into on the basis of, among other things, the following assumptions (the Assumptions): (i) at the time the Lessor becomes the owner of each Item of Leased Equipment, such Item will constitute "new section 38 property" within the meaning of sections 46 and 48 of the Code and at the time the Lessor becomes the owner of such Item, such Item of Leased Equipment will not have been used by any Person so as to preclude "the original use of such property" within the meaning of sections 48(b) and 167(c)(2) of the Code from commencing with the Lessor; (ii) each Item of Leased Equipment is an asset described in the Asset Guideline Class set forth under the heading Depreciable Life in Exhibit C hereto; (iii) the Lessee will not at any time during the term of this Lease use or fail to use any Item of Leased Equipment in such a way as to disqualify it as "section 38 property" within the meaning of section 48(a) of the Code; (iv) for federal income tax purposes, all amounts includible in the gross income of the Lessor with respect to each Item of Leased Equipment and all deductions allowable to the Lessor with respect to each Item of the Leased Equipment will be treated as derived from, or allocable to, sources within the United States; (v) the Lessee will maintain sufficient records to verify such use, which records will be furnished to the Lessor within 30 days after receipt of a written demand therefor; and (vi) an amount equal to at least

20% of the Lessor's Cost of each Item of Leased Equipment is a reasonable estimate of what the Fair Market Value of such Item will be on the Expiration Date with respect thereto, without including in such value any increase or decrease for inflation or deflation and after subtracting from such value any cost to the Lessor for removal and delivery of possession of such Item to the Lessor, and at least 20% of the originally estimated useful life of such Item of Leased Equipment is a reasonable estimate of what the remaining useful life of such Item will be on the Expiration Date with respect thereto.

(c) If, by reason of (1) the inaccuracy in law or in fact of any of the Assumptions set forth in paragraph (b) of this Section, (2) the inaccuracy of any statement in any letter or document furnished to the Lessor by or on behalf of the Lessee in connection with the financing contemplated by this Lease, or (3) the act, failure to act or omission of or by the Lessee, the Lessor shall lose, shall not have or shall lose the right to claim, or if there shall be disallowed or recaptured with respect to the Lessor, all or any portion of the Investment Credit, the Interest Deduction or the Depreciation Deduction as is provided to an owner of property with respect to an Item of Leased Equipment (Loss), then the Basic Lease Rate Factor applicable to such Item of Leased Equipment shall, on and after the next succeeding Basic Rent Date, upon written notice to the Lessee by the Lessor that a Loss has occurred, be increased by such amount for such Item which, in the reasonable opinion of the Lessor, will cause the Lessor's net return over the term of this Lease in respect of such Item to equal the net return that would have been available if the Lessor had been entitled to the utilization of all of the Investment Credit, the Interest Deduction or the Depreciation Deduction with respect to such Item. If such Loss occurs after the Last Basic Rent Date, the Lessor shall notify the Lessee in writing of such Loss and the Lessee shall, within 30 days after such notice, pay to the Lessor such sum as will, in the reasonable opinion of the Lessor, cause the Lessor's net return over the term of this Lease in respect of such Item to equal the net return that would have been available if the Lessor had been entitled to the utilization of all of the Investment Credit, the Interest Deduction and the Depreciation Deduction with respect to such Item. The Lessee shall forthwith pay to the Lessor the amount of any interest which may be assessed by the United States or any state against the Lessor attributable to the Loss.

(d) For purposes of this Section, a Loss shall occur upon the earliest of (1) the happening of any event (such as a disposition or change in the use of any Item of Leased Equipment) which may cause such Loss, (2) the payment by the Lessor to the Internal Revenue Service of the tax increase resulting from such Loss, or (3) the adjustment of the tax return of the Lessor to reflect such Loss. With respect to any Item of Leased Equipment, the Lessor shall be responsible for, and shall not be entitled to a payment under this Section on account of, any Loss due to any event which by the terms of this Lease requires payment by the Lessee of the Casualty Value or Termination Value of such Item, if such Casualty Value or Termination Value is thereafter actually paid by the Lessee, to the extent that such payment reimburses the Lessor for amounts otherwise payable by the Lessee pursuant to this Section.

(e) All of the Lessor's rights arising from the indemnities contained in this Section shall survive the expiration or other termination of this Lease with respect to any or all Items of Leased Equipment and such indemnities are expressly made for the benefit of, and shall be enforceable by the Lessor, its successors and assigns.

SECTION 14. Lease Extension. (a) Provided that this Lease has not been terminated and no Default or Event of Default has occurred and is continuing hereunder, the Lessee shall have the option to extend the term of this Lease with respect to the Equipment at the Expiration Date or at the end of any subsequent Lease Extension Period with respect to the Equipment for such Lease Extension Periods as are provided for in Exhibit C hereto for a rental equal to the Fair Market Rental Value thereof, determined as of such Expiration Date, or the last day of the previous Lease Extension Period, as appropriate.

(b) Not less than 210 days prior to the Expiration Date, or the last day of any Lease Extension Period, the Lessee may indicate, by written notice to the Lessor, the Lessee's interest in exercising the Lessee's lease extension option described above, which notice shall set forth the Lessee's estimate of the Fair Market Rental Value of such Group of Equipment as of such Expiration Date or last day. If, on or before a date 180 days prior to such Expiration Date or last day, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental Value of such Group of Equipment, such Fair Market Rental Value shall

be determined in accordance with the procedure for Appraisal. After a determination of the Fair Market Rental Value of the Equipment has been made in accordance with the procedure described above, the Lessee may exercise its option to extend the term of this Lease with respect to the Equipment for the Fair Market Rental Value thereof by delivering written notice of such exercise to the Lessor not less than 120 days prior to the Expiration Date or the last day of any Lease Extension Period, as appropriate, with respect to the Equipment.

SECTION 15. Events of Default. The term Event of Default, wherever used herein, shall mean any of the following events under this Lease:

(a) the Lessee shall fail to make any payment of Rent within 15 days after payment thereof shall be due; or

(b) the Lessee shall have failed to comply with its obligations under Section 11 hereof; or

(c) the Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Lease, the Participation Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith or therewith, and such failure shall continue for 30 days after written notice thereof from the Lessor to the Lessee; or

(d) any representation or warranty made by the Lessee in this Lease, the Participation Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith or therewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(e) a petition in bankruptcy or for reorganization or arrangement shall be filed by the Lessee; or the Lessee shall make an assignment for the benefit of creditors or consent to the appointment of a trustee, custodian or a receiver, or a trustee, custodian or a receiver shall be appointed for the Lessee, for any Item of Leased Equipment or for a substantial part of the Lessee's property without its consent and any such trustee, custodian or receiver shall not be dismissed within a period of 60 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted

against the Lessee and shall not be dismissed within a period of 60 days; or

(f) The Lessee shall be in default under any material obligation for the payment of borrowed money outstanding in an amount of two million dollars or more or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering, material real or personal property of a value in excess of two million dollars, and the applicable grace period with respect thereto shall have expired and the obligations shall not be duly contested in good faith.

SECTION 16. Remedies. (a) Upon the occurrence of any Event of Default and so long as the same shall be continuing, the Lessor may, at its option, declare this Lease to be in default by written notice to such effect given to the Lessee, and at any time thereafter, the Lessor may exercise one or more of the following remedies, as the Lessor in its sole discretion shall lawfully elect:

(1) proceed by appropriate court action, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof;

(2) by notice in writing terminate this Lease, whereupon all rights of the Lessee to the use of the Leased Equipment shall absolutely cease and terminate but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessee, if so requested by the Lessor, shall at its expense promptly return the Leased Equipment to the possession of the Lessor at such place as the Lessor shall designate and in the condition required upon the return thereof pursuant to and in accordance with the terms hereof, or the Lessor, at its option, may, subject to compliance with all mandatory requirements of law, enter upon the premises where the Leased Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise. The Lessee shall, without further demand, forthwith pay to the Lessor an amount equal to any unpaid Rent due and payable for all periods up to and including the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default, plus, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the

Casualty Value of the Leased Equipment then subject to this Lease, computed as of the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default. Following the return of the Leased Equipment to the Lessor pursuant to this paragraph (2) the Lessor shall proceed to sell the Leased Equipment in such commercially reasonable manner as it shall deem appropriate. The proceeds of such sale shall be applied by the Lessor (A) first, to pay all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor as a result of the default and the exercise of its remedies with respect thereto, (B) second, to pay to the Lessor an amount equal to any unpaid Rent due and payable and the Casualty Value, to the extent not previously paid, and (C) third, to reimburse the Lessee for the Casualty Value to the extent previously paid by the Lessee as liquidated damages. Any surplus remaining thereafter shall be retained by the Lessor. To the extent that all Basic Rent then due and payable with respect to the Leased Equipment and the Casualty Value in respect of such Leased Equipment have not been previously paid, the Lessee shall forthwith pay to the Lessor the sum of (i) the amount by which (X) the sum of (a) all Basic Rent then due and payable with respect to the Leased Equipment, (b) the Casualty Value or portion thereof not theretofore paid, and (c) the amount payable under clause (A) of the preceding sentence, exceeds (Y) the sale price of the Leased Equipment, and (ii) interest at the Late Payment Rate on the full amount of the Casualty Value, computed from the date the Casualty Value is payable hereunder until such Casualty Value is paid by the Lessee.

(b) The Lessee shall be liable for all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto.

(c) No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Lessor at law or in equity. No express or implied waiver by the Lessor of any Default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Default or Event of Default. The

failure or delay of the Lessor in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies and any single or partial exercise of any particular right by the Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

SECTION 17. Return of Leased Equipment. If this Lease shall terminate pursuant to Section 16 hereof or the terms of this Lease shall otherwise expire in accordance with the terms hereof in respect of any Item of Leased Equipment, the Lessee shall forthwith deliver possession of such Item of Leased Equipment to the Lessor. Each Item of Leased Equipment so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, and shall have attached or affixed thereto any addition, modification or improvement considered an accession thereto as provided in Section 8 and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in Section 8, is owned by the Lessee or, if the same is not so removed, it shall be deemed to be an accession. For the purpose of delivering possession of any Item of Leased Equipment as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any such Item of Leased Equipment has been interchanged or which may have possession thereof to return such Item of Leased Equipment) and at the usual speed, place such Item of Leased Equipment upon the storage tracks of the Lessee or other storage tracks selected by the Lessee; and

(b) cause such Item of Leased Equipment to be stored on such tracks at the risk of the Lessee without charge for insurance, rent or storage (i) until such Item of Leased Equipment has been sold, leased or otherwise disposed of by the Lessor if such termination occurs pursuant to Section 16 hereof or (ii) if the terms of the Lease shall have otherwise expired in accordance with the terms hereof, until the Period of Storage shall expire; and

(c) cause at any time during the Period of Storage any Item of Leased Equipment to be transported pursuant to the Lessor's instructions and at the Lessee's expense to any reasonable place on tracks not more than 500 miles from Indianapolis, Indiana.

(d) The assembling, delivery, storage and insurance of the Items of Leased Equipment as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver and store the Items of Leased Equipment. During the Period of Storage, the Lessee will, at its own cost and expense if the Lease has been terminated pursuant to Section 16 hereof or, if the term of this Lease shall have otherwise expired, upon the request of the Lessor and at the Lessor's expense, maintain and keep the Items of Leased Equipment in good order and repair and will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Items of Leased Equipment to inspect the same. All amounts earned in respect of the Items of Leased Equipment after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Item of Leased Equipment is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the Basic Rent as set forth in Section 3(b)(2) hereof payable on a Basic Rent Date for such Items of Leased Equipment divided by 30 exceeds the actual earnings received by the lessor for such Item of Leased Equipment for each such day.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 17, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Item of Leased Equipment to the Lessor, to demand and take possession of such Item of Leased Equipment in the name

and on behalf of the Lessee from whomsoever shall be in possession of such Item of Leased Equipment at the time.

SECTION 18. Right of First Refusal. (a) Provided that no Default or Event of Default shall have occurred and be continuing hereunder, the Lessor agrees that if it proposes to sell the Equipment as an entirety following the expiration of the term of this Lease or any extension thereof, it shall, not earlier than 120 days prior to such expiration and not later than 120 days after such expiration, give notice in writing to such effect to the Lessee. Within 30 days of receipt of such notice, the Lessee may give written notice to the Lessor that it wishes to buy the Equipment at its Fair Market Value and, if such notice shall be given, the lessor shall sell the Equipment to the lessee at or after such expiration for its Fair Market Value. If the aforesaid notice shall not be given by the Lessee within the 30-day time period referred to in the previous sentence, the Lessor shall not have any further obligation to give the Lessee any right, option or notice with respect to the purchase of the Equipment.

(b) In the event the Lessee exercises any right to purchase the Leased Equipment, then, upon payment of the purchase price, the Lessor shall, upon request of the Lessee, execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such Leased Equipment is free and clear of all Liens by or in favor of any Person claiming by, through or under the Lessor) for such Leased Equipment, and such other documents as may be required to release such Leased Equipment from the terms and scope of this Lease and to transfer title thereto to the Lessee or such assignee or nominee, in such form as may reasonably be requested by the Lessee, all at the Lessee's expense.

SECTION 19. Voluntary Termination. (a) The Lessee shall have the right, at any time on or after the First Termination Date, on at least 180 days' prior written notice to the Lessor, to terminate this Lease with respect to all, but not less than all, Items of Leased Equipment subject to this Lease, such termination to be effective on the Basic Rent Date next following the expiration of the 180-day notice period (the Termination Date); provided, however, that no Default or Event of Default shall have occurred and be continuing hereunder and that such Items shall have become obsolete or surplus to the Lessee's needs. During the period

from the giving of such notice until the Termination Date, the Lessor may, and the Lessee, as agent for the Lessor, shall, use their best efforts to obtain bids for the purchase of such Items of Leased Equipment. The Lessee shall certify to the Lessor in writing the amount of each bid received by the Lessee and the name and address of the party submitting such bid. The Lessee may utilize agents for purposes of fulfilling its obligations set forth in this Section. On the Termination Date, the Lessor shall sell such Items of Leased Equipment, without recourse or warranty, for cash to whosoever, except the Lessee or any Affiliate, as defined in the Indenture, of the Lessee, shall have submitted the highest bid prior to such date and shall transfer to such purchaser all the Lessor's right, title and interest in and to such Items, and thereupon the Lessee shall deliver such Items of Leased Equipment so sold to the Lessor in accordance with the terms of Section 17 of this Lease. The Lessor shall certify in writing to the Lessee (i) the amount of such total sale price, (ii) the expenses incurred by the Lessor in connection with such sale, and (iii) that such total sale price represents the highest bid received by the Lessor for the purchase of such Items. The total sale price realized at such sale shall be retained by the Lessor, and, in addition, on the Termination Date, the Lessee shall pay to the Lessor the Basic Rent payment payable on such date and the amount, if any, by which (A) the Termination Value of such Items, computed as of the Termination Date, exceeds (B) the proceeds of such sale less all expenses incurred by the Lessor in selling such Items. In the event no such sale takes place, the Lessee shall pay to the Lessor the Termination Value of such Items, computed as of the Termination Date, plus any expenses incurred by the Lessor in connection herewith and the Basic Rent payment then due. Upon payment of all amounts required to be paid by the Lessee pursuant to this paragraph (a), the obligation of the Lessee for all Basic Rent accruing hereunder with respect to such Items due and payable after, but not on or before, the Termination Date shall cease.

(b) Notwithstanding the foregoing, upon receipt of all bona fide bids for the purchase of such Items, the Lessor may, with the prior written consent of the Trustee, elect not to sell such Items to the highest bidder on the Termination Date, in which case the Lessee shall deliver such Items to the Lessor in accordance with the terms of Section 5 of this Lease. In addition, on the Termination Date, the Lessee shall pay to the Lessor the Basic Rent due on such Termination Date and the amount, if any, by which the Termination Value of such Items plus the amount of any expenses incurred

by the Lessor directly or indirectly in connection therewith exceeds such highest bid. Upon such redelivery and the payment of such amount, if any, the obligation of the Lessee to pay all Basic Rent accruing under this Lease with respect to such Items due and payable after, but not on or before, the Termination Date shall cease.

(c) Notwithstanding the foregoing, provided that no Default or Event of Default shall have occurred and be continuing hereunder, and provided further that the Lessor has not notified the Lessee in writing of the Lessor's election under paragraph (b) above, upon written notification given to the Lessor not less than 30 days prior to the Termination Date, the Lessee may elect to rescind the Lessee's notice of termination, in which case this Lease shall not terminate as set forth in this Section, but shall continue in full force and effect as though no such notice of termination had been given by the Lessee.

SECTION 20. Notices. All communications and notices provided for herein shall be in writing and shall become effective when deposited in the United States mail, with proper postage for first-class mail, prepaid, addressed (a) if to the Lessor, at One Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department, (with copies to (1) Itel Corporation, Equipment Finance Division, at One Embarcadero Center, San Francisco, California 94111, Attention: Contract Administration, (2) the Trustee, at 79, South Main Street, Salt Lake City Utah 84111, Attention: Trust Division, Corporate Trust Department (3) the Beneficiary, at its address set forth in Exhibit C hereto), and (b) if to the Lessee, at its address set forth on the signature page hereof.

SECTION 21. Successors, Assigns and Indemnified Parties. This Lease, including all agreements, covenants, representations and warranties, shall be binding upon and inure to the benefit of, and may be enforced by, (1) the Lessor and its successors, assigns, agents, servants and personal representatives, and, where the context so requires, (i) each Beneficiary and its successors and assigns, and any holder of the obligations of the Lessor issued in connection with this Lease, (2) the Trustee, as assignee and secured party, (3) the successors, assigns, agents and personal representatives of the Trustee, as assignee and secured party, and (4) the Lessee and its successors and, to the extent permitted hereby, assigns. With respect to the

provisions of Sections 5, 7 and 12 hereof, each Beneficiary, the Related Trust Estate, as such term is defined in the Trust Agreement, the Trustee, as assignee and secured party, the Lessor in both its individual and fiduciary capacity, any holder of obligations of the Lessor issued in connection with the purchase or acquisition of the Leased Equipment, and the successors, assigns, agents and personal representatives of the foregoing shall each be indemnified thereunder and, with respect to clause (b) of the proviso to Section 12 hereof, the wilful misconduct or gross negligence of the Lessor or any one such person shall not affect the rights of any other person indemnified under such Section 12. With respect to the provisions of Section 13 hereof, the "Lessor," as used therein, shall mean the Beneficiary and the consolidated taxpayer group of which the Beneficiary is a member, and the Beneficiary (and such group) are hereby made third party beneficiaries for purposes of the provisions thereof.

SECTION 22. Amendments and Miscellaneous. (a) The terms of this Lease shall not be waived, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; provided, however, that no such waiver, amendment or supplement shall make any change, and no termination shall be made, which is prohibited by the Indenture or any Supplement without the consent of the Trustee.

(b) All agreements, indemnities, representations and warranties contained in this Lease, the Participation Agreement or any agreement, document or certificate delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease.

(c) Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(d) This Lease shall constitute an agreement of

lease and nothing herein shall be construed as conveying to the Lessee any right, title or interest in or to the Leased Equipment, except as Lessee only.

(e) This Lease may be executed in any number of counterparts and by the different parties hereto on separate counterparts. This Lease, the Indenture and the Supplements shall be filed with the Interstate Commerce Commission in accordance with the applicable provisions of 49 U.S.C. Section 11303 prior to the delivery and acceptance hereunder of any Item of Leased Equipment.

(f) This Lease shall be governed by, and construed in accordance with, the laws of the state indicated in the address of the Lessee as set forth after its signature herein.

(g) Although this Lease is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth under the signatures hereto, and this Lease shall be effective on the latest of such dates.

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

THE CONNECTICUT BANK AND TRUST
COMPANY, not in its individual
capacity, but solely as trustee
under a Master Trust Agreement
dated as of November 2, 1978,
between it and Itel Corporation,
Equipment Finance Division,
as Lessor,

by

Authorized Officer

Date _____

INDIANA FARM BUREAU COOPERATIVE
ASSOCIATION, INC.,
as Lessee,

by

Glenn Franklin

Date

6/28/79

APPROVED

By cm
LEGAL DEPT.

ACKNOWLEDGMENT

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

On the 29th day of June, 1979, before me personally appeared Glenn Franklin who, being by me duly sworn, did say that he is the Executive Vice President of Indiana Farm Bureau Cooperative Association, Inc., and that said instrument was signed on behalf of said corporation by authority of its bylaws and by resolution of its Board of Directors and that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Patricia A. Uberta
Notary Public, Signature

PATRICIA A. UBERTA
Printed

(SEAL)

My Commission Expires:

February 15, 1982

EXHIBIT A
to Lease

DESCRIPTION OF EQUIPMENT

<u>Quantity</u>	<u>Manufacturer</u>	<u>Description and AAR Mechanical Designation</u>	<u>Lessee's Identification Numbers</u>	<u>Estimated Lessor's Cost Per Item</u>
150	Richmond Tank Car Company	100-ton, 4750 cubic foot cap- acity, covered hopper cars pursuant to man- ufacturer's spe- cifications No. 2973-CH dated October 12, 1978, as amended by Mr. Peter Brandt's letter of October 31, 1978, to Mr. Forrest Qualls	IFBX 20000 through and including 20149	\$38,300

EXHIBIT B
to Lease

CERTIFICATE OF ACCEPTANCE NO. ____

under

EQUIPMENT LEASE dated as of March 15, 1979 (the Lease), between THE CONNECTICUT BANK AND TRUST COMPANY, as lessor, not in its individual capacity, but solely as trustee (the Lessor) under a Master Trust Agreement dated as of November 2, 1978, between it and Itel Corporation, Equipment Finance Division, and Indiana Farm Bureau Cooperative Association, Inc., as lessee (the Lessee).

1. Items of Equipment. The Lessee hereby certifies that the Items of Equipment set forth and described in Schedule 1 hereto (which Schedule includes the amount of the Lessor's Cost of each such Item), constituting Items of Leased Equipment, have been delivered to and inspected by the Lessee, found to be in good order and accepted as Items of Leased Equipment under the Lease, all on the Date(s) of Acceptance set forth on Schedule 1 hereto.

2. Representations by the Lessee. The Lessee hereby represents and warrants to the Lessor, the Beneficiary, the Trustee, the Long-Term Lender and the Interim Lender, as such terms are defined in the Lease and the Participation Agreement, that on the Date(s) of Acceptance set forth on Schedule 1 hereto:

(1) The representations and warranties of the Lessee set forth in the Participation Agreement are true and correct in all material respects as though made on and as of each such Date(s) of Acceptance.

(2) The Lessee has satisfied or complied with all requirements set forth in the Participation Agreement, in any certificate of the Lessee and in the Lease to be satisfied or complied with on or prior to the Date(s) of Acceptance.

(3) No Default or Event of Default under the Lease

has occurred and is continuing on the Date(s) of Acceptance.

INDIANA FARM BUREAU COOPERATIVE
ASSOCIATION, INC.,
as Lessee,

by

Glenn Franklin

Accepted on the Date(s) of Acceptance
set forth on Schedule 1 hereto on
behalf of the Lessor: THE CONNECTICUT
BANK AND TRUST COMPANY not in its indi-
vidual capacity, but solely as trustee
under a Master Trust Agreement dated
as of November 2, 1978, between it and
Itel Corporation, Equipment Finance
Division,
as Lessor,

APPROVED
By: [Signature] cm
LEGAL DEPT. [Signature]

by: INDIANA FARM BUREAU COOPERATIVE
ASSOCIATION, INC.,
as Authorized Representative,

by

Glenn Franklin

APPROVED
By: [Signature] cm
LEGAL DEPT. [Signature]

SCHEDULE 1 TO

CERTIFICATE OF ACCEPTANCE NO. ____

Description of Equipment and Lessor's Cost:

<u>Quantity</u>	<u>Manufacturer</u>	<u>Description</u>	<u>Lessee's Identification Number</u>	<u>New</u>	<u>Lessor's Cost</u>	<u>Date(s) of Acceptance</u>
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Total \$ _____

EXHIBIT C
to Lease

(20-year Basic Lease Term)

<u>Date of Lease:</u>	March 15, 1979.
<u>Beneficiary:</u>	Wells Fargo Transport Leasing Corporation.
<u>Rent Commencement Date:</u>	The date of acceptance as evidenced by the Certificate of Acceptance with respect to each Item of Leased Equipment
<u>Late Payment Rate:</u>	A rate per annum equal to 2% over the Long-Term Debt Rate, as such term is defined in the Participation Agreement, but in no event at a rate per annum greater than that permitted by applicable law
<u>Basic Rent Dates:</u>	November 15, 1979 and the 15th day of each succeeding month during the term of the Lease (unless any such day is not a Business Day in which case it shall be the next succeeding Business Day).
<u>First Delivery Date:</u>	June 28, 1979.
<u>Final Delivery Date:</u>	October 15, 1979.
<u>Interim Rent Date:</u>	October 15, 1979.
<u>First Basic Rent Date:</u>	November 15, 1979.
<u>Last Basic Rent Date:</u>	October 15, 1999.
<u>Expiration Date:</u>	October 15, 1999.
<u>Basic Lease Rate Factor:*</u>	.7055%
<u>First Termination Date:</u>	October 15, 1989.

Daily Lease Rate Factor:*

.023517%; provided, however, that if the Rent payable on the Interim Rent Date with respect to all Items of Equipment shall be less than the aggregate of the interest payable by the Lessor to the Interim Lender on the Notes and the interest payable by the Beneficiary to Lease Investments Trust on the Promissory Note issued pursuant to that certain Letter Agreement dated as of March 15, 1979, between the Beneficiary and Lease Investments Trust, the Daily Lease Rate Factor shall be increased to the extent necessary to cause such Rent to equal the aggregate of such interest.

Lease Extension Periods:

2 periods of five years each.

Equipment Marking:

Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission.

* In the event that on any Closing Date the Interim Lender does not make a Loan, or in the event that on any Take-Out Date the Long-Term Lender shall not purchase from the Interim Lender the unpaid principal amount of the Notes issued and outstanding on the Take-Out Date, the Lessor shall, as applicable, pay the manufacturer of the Items of Leased Equipment the total amount of the Lessor's Cost or purchase from the Interim Lender the unpaid principal amount of the Notes issued and outstanding on the Take-Out Date. In such case the Daily Lease Rate Factor shall be .026853% (subject to the same proviso set forth above opposite such term), the Basic Lease Rate Factor shall be .8056%, the Casualty and Termination Values shall be as set forth in Exhibit E to the Lease.

Period of Storage:

120 days after the expiration of the Lease term or, in the event the Lease is extended, 120 days after the expiration of the last extension period.

Investment Credit Percentage: 10%.

Depreciable Life:

A 12-year depreciable life pursuant to Section 167(m) of the Code for an asset described in Asset Guideline Class No. 00.25.

Depreciation Method:

A double-declining balance method switching to the sum-of-the-years-digits method when most beneficial to the Beneficiary and without the prior consent of the Commissioner of Internal Revenue utilizing either the "modified half-year" or "half-year" convention pursuant to Reg. Section 1.167(a)-11(c)(2) and taking into account the Net Salvage Value of the Leased Equipment.

Net Salvage Value:

An amount equal to 0% of the Lessor's Cost of the Leased Equipment, which amount will be reduced by 10% of the Lessor's Cost as provided in section 167(m) of the Code.

EXHIBIT D
to Lease

The Casualty Value of each Item of Leased Equipment shall be the percentage of Lessor's Cost of such Item set forth opposite the applicable rent payment:

Interim Rent Date and <u>Basic Rent Payment Number</u>	<u>Casualty Value</u>		<u>Termination Value</u>	
	(a)	(b)	(a)	(b)
On or Before the Interim Rent Date	86.5102%		--	
1	87.2342		--	
2	87.5083		--	
3	87.7481		--	
4	88.0542		--	
5	88.3794		--	
6	88.6942		--	
7	88.9780		--	
8	89.2633		--	
9	89.4519		--	
10	89.6414		--	
11	89.8318		--	
12	89.9905		--	
13	90.1499		--	
14	90.3100		--	
15	90.4381		--	
16	90.5668		--	
17	90.6959		--	
18	90.8409		--	
19	90.9614		--	
20	91.0823		--	
21	91.1938		--	
22	91.3058		--	
23	91.4181		--	
24	91.5058		--	
25	91.5936		--	
26	91.6818		--	
27	91.7450		--	
28	91.8083		--	
29	91.8717		--	
30	91.9429		--	

Interim Rent Date and Basic Rent Payment Number	Casualty Value (a) (b)	Termination Value (a) (b)
31	91.9930	--
32	92.0430	--
33	92.0795	--
34	92.1159	--
35	92.1521	--
36	92.1670	--
37	92.1816	--
38	92.1960	--
39	92.1888	--
40	92.1812	--
41	92.1732	--
42	92.1699	--
43	92.1475	--
44	92.1246	--
45	92.0875	--
46	92.0499	--
47	92.0116	--
48	91.9539	--
49	91.8955	--
50	91.8363	--
51	91.7576	--
52	91.6780	--
53	91.5975	--
54	91.5213	--
55	91.4280	--
56	91.3337	--
57	91.2274	--
58	91.1200	--
59	91.0115	--
60	90.8858	--
61	90.7587	--
62	90.6305	--
63	90.4848	--
64	90.3378	--
65	90.1893	--
66	90.0447	--
67	89.8853	--
68	89.7243	--
69	89.5536	--
70	89.3813	--
71	89.2075	--

Interim Rent Date and Basic Rent Payment Number	Casualty Value (a) (b)	Termination Value (a) (b)
72	89.0185	--
73	88.8278	--
74	88.6355	--
75	88.4279	--
76	88.2184	--
77	88.0071	--
78	87.7993	--
79	87.5788	--
80	87.3564	--
81	87.1266	--
82	86.8948	--
83	86.6609	--
84	86.4142	--
85	86.1653	--
86	85.9143	--
87	85.6513	--
88	85.3860	--
89	85.1185	--
90	84.8531	--
91	84.5810	--
92	84.3065	--
93	84.0297	--
94	83.7505	--
95	83.4690	--
96	83.1850	--
97	82.8986	--
98	82.6098	--
99	82.3185	--
100	82.0247	--
101	81.7284	--
102	81.4296	--
103	81.1282	--
104	80.8242	--
105	80.5177	--
106	80.8967	--
107	79.5822	--
108	79.5822	--
109	79.2650	--
110	78.9452	--
111	78.6226	--
112	78.2972	--

Interim Rent Date and Basic Rent Payment Number	Casualty Value		Termination Value	
	(a)	(b)	(a)	(b)
113	77.9691		--	
114	77.6381		--	
115	77.3044		--	
116	76.9678		--	
117	76.6283		--	
118	76.2859		--	
119	75.9406		--	
120	75.5923		--	
121	75.2410		75.2410	
122	74.8868		74.8868	
123	74.5295		74.5295	
124	74.1692		74.1692	
125	73.8058		73.8058	
126	73.4393		73.4393	
127	73.0697		73.0697	
128	72.6969		72.6969	
129	72.3209		72.3209	
130	71.9417		71.9417	
131	71.5593		71.5593	
132	71.1736		71.1736	
133	70.7846		70.7846	
134	70.3923		70.3923	
135	69.9967		69.9967	
136	69.5976		69.5976	
137	69.1952		69.1952	
138	68.7893		68.7893	
139	68.3800		68.3800	
140	67.9671		67.9671	
141	67.5514		67.5514	
142	67.1321		67.1321	
143	66.7092		66.7092	
144	66.2861		66.2861	
145	65.8594		65.8594	
146	65.4290		65.4290	
147	64.9984		64.9984	
148	64.5640		64.5640	
149	64.1259		64.1259	
150	63.6901		63.6901	
151	63.2570		63.2570	
152	62.8202		62.8202	
153	62.3921		62.3921	
154	61.9603		61.9603	

Interim Rent Date and Basic Rent Payment Number	Casualty Value (a) (b)	Termination Value (a) (b)
155	61.5248	61.5248
156	61.0919	61.0919
157	60.6552	60.6552
158	60.2147	60.2147
159	59.7768	59.7768
160	59.3350	59.3350
161	58.8894	58.8894
162	58.4440	58.4440
163	58.0033	58.0033
164	57.5587	57.5587
165	57.1228	57.1228
166	56.6830	56.6830
167	56.2394	56.2394
168	55.8003	55.8003
169	55.3573	55.3573
170	54.9103	54.9103
171	54.4679	54.4679
172	54.0214	54.0214
173	53.5710	53.5710
174	53.1188	53.1188
175	52.6722	52.6722
176	52.2216	52.2216
177	51.7788	51.7788
178	51.3320	51.3320
179	50.8811	50.8811
180	50.4358	50.4358
181	49.9864	49.9864
182	49.5328	49.5328
183	49.0848	49.0848
184	48.6326	58.6326
185	48.1763	48.1763
186	47.7183	47.7183
187	47.2669	47.2669
188	46.8114	46.8114
189	46.3650	46.3650
190	45.9144	45.9144
191	45.4596	45.4596
192	45.0115	45.0115
193	44.5591	44.5591
194	44.1024	44.1024
195	43.6524	43.6524
196	43.1981	43.1981

Interim Rent Date and Basic Rent Payment Number	Casualty Value		Termination Value	
	(a)	(b)	(a)	(b)
198	42.7395		42.7395	
198	42.2791		42.2791	
299	41.8265		41.8265	
200	41.3696		41.3696	
201	40.9231		40.9231	
202	40.4723		40.4723	
203	40.0171		40.0171	
204	39.5664		39.5664	
205	39.1081		39.1081	
206	38.6420		38.6420	
207	38.1804		38.1804	
208	37.7110		37.7110	
209	37.2338		37.2338	
210	36.7513		36.7513	
211	36.2745		36.2745	
212	35.7898		35.7898	
213	35.3132		35.3132	
214	34.8289		34.8289	
215	34.3366		34.3366	
216	33.8499		33.8499	
217	33.3553		33.3553	
218	32.8527		32.8527	
219	32.3556		32.3556	
220	31.8505		31.8505	
221	31.3374		31.3374	
222	30.8169		30.8169	
223	30.3022		30.3022	
224	29.7793		29.7793	
225	29.2629		29.2629	
226	28.7383		28.7383	
227	28.2056		28.2056	
228	27.6785		27.6785	
229	27.1433		27.1433	
230	26.5998		26.5998	
231	26.0619		26.0619	
232	25.5158		25.5158	
233	24.9614		24.9614	
234	24.3986		24.3986	
235	23.8413		23.8413	
236	23.0255		23.0255	
237	22.4653		22.4653	
238	21.8966		21.8966	
239	21.3195		21.3195	
240	20.0000		--	

(a) Casualty Values and Termination Values are expressed as percentages of Lessor's Cost. Such percentages have been computed without regard to recapture of Investment Credit. Consequently, such percentages applicable on the Interim Rent Date or any Basic Rent Date where Casualty Values or Termination Values shall be payable with respect to an Event of Loss occurring before the third, fifth or seventh anniversary of the date of acceptance set forth in the Certificate of Acceptance for such Item shall be increased by the percentage of Lessor's Cost set forth below, and for purposes of this Lease, Casualty Values or Termination Values payable on such dates shall be determined on the basis of the sum of such percentages:

<u>Anniversary of the Date of Acceptance</u>	<u>Percentage of Lessor's Cost To be Added to the Foregoing Percentage</u>
Third	20.3500%
Fifth	13.5667%
Seventh	6.7833%

(b) In the event the Basic Lease Rate Factor is increased pursuant to the tax indemnification provisions set forth in Section 15 of the Lease, Casualty Values and Termination Values shall be adjusted accordingly.

EXHIBIT E
to Lease

In the event that the Long-Term Lender does not make its Loan on any Closing Date pursuant to the Participation Agreement, the Casualty Value and Termination Value of each Item of Leased Equipment shall be the percentage of Lessor's Cost of such Item set forth opposite the applicable rent payment:

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
On or Before the Interim Rent Date	109.0580%	--
1	107.1450	--
2	106.9830	--
3	106.8200	--
4	106.6570	--
5	106.4920	--
6	106.6241	--
7	106.9605	--
8	107.2625	--
9	107.5614	--
10	107.7625	--
11	107.9599	--
12	108.1536	--
13	108.3121	--
14	108.4667	--
15	108.6173	--
16	108.7324	--
17	108.8433	--
18	108.9500	--
19	109.0975	--
20	109.2319	--
21	109.3622	--
22	109.5243	--
23	109.6825	--
24	109.8368	--
25	109.9780	--
26	110.1153	--
27	110.2484	--

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
28	110.3685	--
29	110.4844	--
30	110.5961	--
31	110.7097	--
32	110.8130	--
33	110.9121	--
34	111.0069	--
35	111.0974	--
36	111.1837	--
37	104.4761	--
38	104.5470	--
39	104.6145	--
40	104.6710	--
41	104.7229	--
42	104.7704	--
43	104.8170	--
44	104.8548	--
45	104.8881	--
46	104.9163	--
47	104.9398	--
48	104.9587	--
49	104.9686	--
50	104.9738	--
51	104.9741	--
52	104.9655	--
53	104.9519	--
54	104.9335	--
55	104.9138	--
56	104.8869	--
57	104.8550	--
58	104.8196	--
59	104.7792	--
60	104.7336	--
61	97.8974	--
62	97.8393	--
63	97.7761	--
64	97.7054	--
65	97.6294	--
66	97.5481	--
67	97.4653	--
68	97.3768	--
69	97.2829	--

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
70	97.1870	--
71	97.0858	--
72	96.9791	--
73	96.8665	--
74	96.7485	--
75	96.6249	--
76	96.4954	--
77	96.3603	--
78	96.2195	--
79	96.0769	--
80	95.9301	--
81	95.7776	--
82	95.6247	--
83	95.4660	--
84	95.3016	--
85	88.3495	--
86	88.1750	--
87	87.9946	--
88	87.8098	--
89	87.6191	--
90	87.4224	--
91	87.2236	--
92	87.0221	--
93	86.8147	--
94	86.6083	--
95	86.3959	--
96	86.1775	--
97	85.9563	--
98	85.7290	--
99	85.4955	--
100	85.2592	--
101	85.0167	--
102	84.7680	--
103	84.5167	--
104	84.2645	--
105	84.0059	--
106	83.7500	--
107	83.4878	--
108	83.2193	--
109	82.9496	--
110	82.6735	--
111	82.3910	--

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
112	82.1073	--
113	81.8170	--
114	81.5203	--
115	81.2208	--
116	80.9218	--
117	80.6163	--
118	80.3151	--
119	80.0074	--
120	79.6930	--
121	79.3791	79.3791
122	79.0585	79.0585
123	78.7312	78.7312
124	78.4044	78.4044
125	78.0708	78.0708
126	77.7305	77.7305
127	77.3871	77.3871
128	77.0459	77.0459
129	76.6979	76.6979
130	76.3559	76.3559
131	76.0070	76.0070
132	75.6513	75.6513
133	75.2978	75.2978
134	74.9373	74.9373
135	74.5699	74.5699
136	74.2046	74.2046
137	73.8324	73.8324
138	73.4531	73.4531
139	73.0705	73.0705
140	72.6919	72.6919
141	72.3062	72.3062
142	71.9281	71.9281
143	71.5431	71.5431
144	71.1509	71.1509
145	70.7626	70.7626
146	70.3671	70.3671
147	69.9646	69.9646
148	69.5658	69.5658
149	69.1598	69.1598
150	68.7467	68.7467
151	68.3301	68.3301
152	67.9190	67.9190
153	67.5008	67.5008

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
154	67.0919	67.0919
155	66.6757	66.6757
156	66.2524	66.2524
157	65.8345	65.8345
158	65.4094	65.4094
159	64.9770	64.9770
160	64.5500	64.5500
161	64.1158	64.1158
162	63.6742	63.6742
163	63.2271	63.2271
164	62.7865	62.7865
165	62.3385	62.3385
166	61.8989	61.8989
167	61.4519	61.4519
168	60.9975	60.9975
169	60.5494	60.5494
170	60.0939	60.0939
171	59.6310	59.6310
172	59.1743	59.1743
173	58.7101	58.7101
174	58.2384	58.2384
175	57.7593	57.7593
176	57.2866	57.2866
177	56.8063	56.8063
178	56.3326	56.3326
179	55.8513	55.8513
180	55.3624	55.3624
181	54.8797	54.8797
182	54.3894	54.3894
183	53.8914	53.8914
184	53.3996	53.3996
185	52.9002	52.9002
186	52.3930	52.3930
187	51.8783	51.8783
188	51.3698	51.3698
189	50.8535	50.8535
190	50.3437	50.3437
191	49.8261	49.8261
192	49.3007	49.3007
193	48.7814	48.7814
194	48.2543	48.2543
195	47.7193	47.7193

Interim Rent Date and Basic Rent Payment Date	Casualty Value (a)	Termination Value (a)
196	47.1905	47.1905
197	46.6537	46.6537
198	46.1089	46.1089
199	45.5563	45.5563
200	45.0098	45.0098
201	44.4552	44.4552
202	43.9069	43.9069
203	43.3506	43.3506
204	42.7861	42.7861
205	42.2277	42.2277
206	41.6613	41.6613
207	41.0866	41.0866
208	40.5180	40.5180
209	39.9412	39.9412
210	39.3562	39.3562
211	38.7630	38.7630
212	38.1756	38.1756
213	37.5800	37.5800
214	36.9902	36.9902
215	36.3922	36.3922
216	35.7858	35.7858
217	35.1853	35.1853
218	34.5764	34.5764
219	33.9591	33.9591
220	33.3475	33.3475
221	32.7276	32.7276
222	32.0992	32.0992
223	31.4623	31.4623
224	30.8310	30.8310
225	30.1912	30.1912
226	29.5570	29.5570
227	28.9143	28.9143
228	28.2630	28.2630
229	27.6173	27.6173
230	26.9629	26.9629
231	26.2999	26.2999
232	25.6424	25.6424
233	24.9762	24.9762
234	24.0513	24.0513
235	23.3676	23.3676
236	22.6892	22.6892

<u>Interim Rent Date and Basic Rent Payment Date</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
237	22.0021	22.0021
238	21.3203	21.3202
239	20.7500	20.7500
240	20.0000	--

(a) In the event the Basic Lease Rate Factor is increased pursuant to the tax indemnification provisions set forth in Section 15 of the Lease, Casualty Values and Termination Values shall be adjusted accordingly.